



ANNUAL REPORT

2022

ZAMBIA TOURISM AGENCY



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Acronyms and Abbreviations

GDP	Gross Domestic Product
GRZ	Government of the Republic of Zambia
KKIA	Kenneth Kaunda International Airport
MICE	Meetings, Incentives, Conferences, and Exhibitions
PPPs	Public-Private Partnerships
RETOSA	Regional Tourism Organisation of Southern Africa
SMEs	Small and Medium Enterprises
SMKIA	Simon Mwansa Kapwepwe International Airport
UNWTO	United Nations World Tourism Organization
ZTA	Zambia Tourism Agency



Acknowledgements

The successful completion of the ZTA Annual Report for 2023 would not have been possible without the dedicated efforts and collaboration of many individuals and organizations.

First and foremost, we express our sincere gratitude to the ZTA Board, led by Mr. Daan Brink, for their strategic guidance and unwavering support throughout the year. Your leadership, particularly during these challenging times, has been instrumental in steering the Agency towards the growth and resilience of Zambia's tourism sector.

We are also immensely grateful to our Chief Executive Officer whose vision, dedication, and hands-on approach have guided the Agency's activities and ensured that we remain focused on our mandate to promote and develop tourism in Zambia.

Special thanks go to our management team and all ZTA staff members for their hard work, commitment, and adaptability. Your efforts in data collection, research, and analysis have provided the comprehensive insights needed for this report, and your collective resilience during uncertain times is truly commendable.

We extend our appreciation to our key stakeholders, including the Ministry of Tourism – National Museums, National Heritage Conservation Commission, Department of National Parks – , industry partners, and tourism operators. Your cooperation, feedback, and continued collaboration have played a vital role in shaping our strategies and advancing tourism in Zambia.

Furthermore, we acknowledge the valuable contributions of our international and local partners, whose data, support, and shared expertise have enriched our understanding of tourism trends and performance.

Finally, we express our heartfelt thanks to the tourists and visitors whose presence and engagement continue to showcase the beauty, culture, and vibrancy of Zambia. Your experiences, feedback, and loyalty are the driving forces behind our commitment to enhancing Zambia's position as a leading tourism destination.

To everyone who played a part in producing this report, your contribution is recognized and deeply appreciated. Together, we look forward to another year of building a sustainable and thriving tourism industry in Zambia.

ZTA Management

Key Definitions

A. Tourist

A tourist is defined as a visitor who travels to and stays in a place outside their usual place of residence for more than 24 hours but less than one consecutive year for leisure, business, or other purposes. Tourists do not engage in activities remunerated from within the place visited.

B. Tourism Receipts

Tourism receipts refer to the income earned by a destination from inbound tourists. This includes expenditure on accommodation, food and drink, local transport, entertainment, shopping, and other services during their stay. Tourism receipts are a key indicator of the economic impact of tourism on a destination.

C. Room Occupancy Rates

Room occupancy rates measure the percentage of available rooms in a hotel or other accommodation establishment that are occupied over a specific period. This rate is a crucial indicator of demand within the tourism sector, reflecting both the number of visitors and the overall health of the accommodation industry.

D. Gross Domestic Product

Gross Domestic Product (GDP) is the total monetary value of all goods and services produced within a country's borders over a specific period, typically measured quarterly or annually. GDP is a broad measure of a country's overall economic activity and health.

E. Tourism Contribution to GDP

Tourism contribution to GDP refers to the portion of the GDP that is generated by the tourism sector. This includes direct contributions from tourism activities, such as spending on travel and accommodation, as well as indirect contributions, such as investments in tourism infrastructure and the broader economic impact of tourism-related supply chains.

F. Port of Entry

A port of entry is a location where travelers can legally enter a country. Ports of entry include airports, seaports, and land border crossings, where immigration and customs controls are conducted. For tourism statistics, ports of entry are important as they help track the number and origin of international visitors.

G. Source Market for Tourists

A source market for tourists refers to the country or region from which tourists originate. Understanding source markets is essential for destination management and marketing, as it allows tourism authorities to tailor strategies to attract visitors from specific regions and optimize the tourism marketing mix.

Foreword by the Board Chairperson



It is with great pride and privilege that I present the Zambia Tourism Agency (ZTA) Annual Report for 2022—a year marked by remarkable recovery, growth, and renewed hope. This report highlights the collective effort and commitment that has gone into positioning Zambia as a premier tourist destination, both within our borders and across the globe.

I would like to acknowledge the tremendous dedication of the management and staff of ZTA. Their tireless work in showcasing Zambia's unique beauty and diverse tourism experiences has truly borne fruit. The numbers don't lie—what you will see in this report is a testament to the results of strategic marketing, diligent effort, and unwavering commitment. Zambia's tourism industry is rising once again, and this performance is evidence of the strong foundation we are building for even greater success.

We are deeply indebted to the Ministry of Tourism for its unwavering support, providing the essential resources needed to sustain and enhance our marketing efforts. Their backing has been pivotal in driving

forward our vision of making Zambia a world-class destination.

The strategic leadership of the Board of Directors has been instrumental in guiding us through these challenging times, and I am grateful for their vision and wisdom. I also want to extend a heartfelt thank you to our stakeholders, particularly our partners in the private sector—lodge and hotel owners, tourism operators, airlines, and restaurants—who have embraced our marketing initiatives and ensured that every tourist, whether domestic or international, enjoys an unforgettable experience in Zambia. Your positive response has made all the difference.

Together, we have set the stage for a bright future, one where Zambia's tourism industry continues to thrive and where our country's natural wonders and cultural treasures attract visitors from all corners of the world.

Let us continue this journey of growth with confidence, knowing that we have laid the groundwork for even greater achievements.

Daan Brink

Tourism Industry Dashboard in 2022

No.	Criteria	2021	2022	Change	
1.	GDP Growth - Zambia	6.2%	5.2%	16%	↑
2.	GDP Growth -Global	6.3%	3.2%	49%	↑
3.	International Tourist Arrivals	554,000	1,060,000	91%	↑
4.	Tourism Contribution to GDP	1.1%	1.9%	73%	↑
5.	Tourism Receipts in USD Billions	0.4	0.8	100%	↑
6.	Room Occupancy Rates	38.4%	44.5%	16%	↑
7.	Visits to National Parks	49,989	75,159	50%	↑
8.	Visits to Waterfalls	145,192	189,887	31%	↑
9.	Visits to Museums	47,598	86,671	82%	↑



Remarks by the Acting Chief Executive Officer



The year 2022 has been a testament to the tremendous strides we have made as an Agency and as a nation. Through the collective efforts of our dedicated team, the visionary leadership of our Board, and the remarkable support from our stakeholders, we continue to pave the way toward a brighter, more vibrant future for Zambia's tourism industry.

Despite global challenges, we have witnessed a remarkable recovery in international tourist arrivals, which increased by 91% compared to the previous year, reaching 1.06 million visitors. This surge underscores the resilience of Zambia's appeal and the effectiveness of our strategic marketing efforts. Our contribution to the national GDP has shown steady improvement, with tourism receipts rising to over \$800 million, reflecting a 100% increase from \$400 million in 2021. These figures speak not only to the increasing confidence of global travelers but also to the hard work

and dedication of every member of the ZTA team, whose diligence and innovation have been instrumental in sustaining our upward trajectory.

As we navigated the complexities of a shifting global landscape, we maintained our focus on strengthening Zambia's tourism brand, broadening our market reach, and leveraging our unique natural assets. Our top source markets have responded with enthusiasm, particularly from SADC, Europe and North America. Our ports of entry have seen increased activity, with over 90% 30% more arrivals through Kenneth Kaunda International Airport, and the surge in visits to our breathtaking national parks reaffirms Zambia's standing as a destination of choice for eco-tourists and nature lovers.

In addition to these achievements, we have placed significant emphasis on partnerships and collaborations, both domestically and internationally. We continue to work closely with stakeholders across the tourism ecosystem—be it local communities, conservationists, or industry partners—to create a sustainable tourism model that not only celebrates Zambia's natural beauty but also ensures long-term benefits for our people and environment.

None of this would have been possible without the visionary guidance of our Board, whose unwavering support has been a cornerstone of our progress. Their

commitment to our mission has enabled us to innovate, adapt, and consistently push the boundaries of what we can achieve. Together with our hardworking team, they have kept our vision sharp and our goals within reach.

As we look forward, we are filled with optimism and hope. The future of Zambia's tourism industry is brighter than ever. We are not just rebuilding; we are reimagining and reshaping what is possible. With new markets to explore, exciting initiatives on the horizon, and a renewed global appetite for authentic, sustainable travel experiences, we are poised to soar to even greater heights.

Let this report be a celebration of our collective efforts and a beacon of hope for what lies ahead. Together, we will continue to unlock the vast potential of Zambia, creating unforgettable experiences for travelers, sustainable growth for our communities, and a lasting legacy for future generations.

Chavunga Lungu

About ZTA

ZTA is a statutory body established under the Tourism and Hospitality Act No. 13 of 2015, with the primary mandate to promote and develop tourism in Zambia. ZTA is responsible for marketing Zambia as a premier tourism destination, regulating the tourism industry, and ensuring that standards are upheld in the provision of tourism services and facilities. The Agency plays a pivotal role in driving the growth of the tourism sector, which is vital to the country's economic diversification efforts.

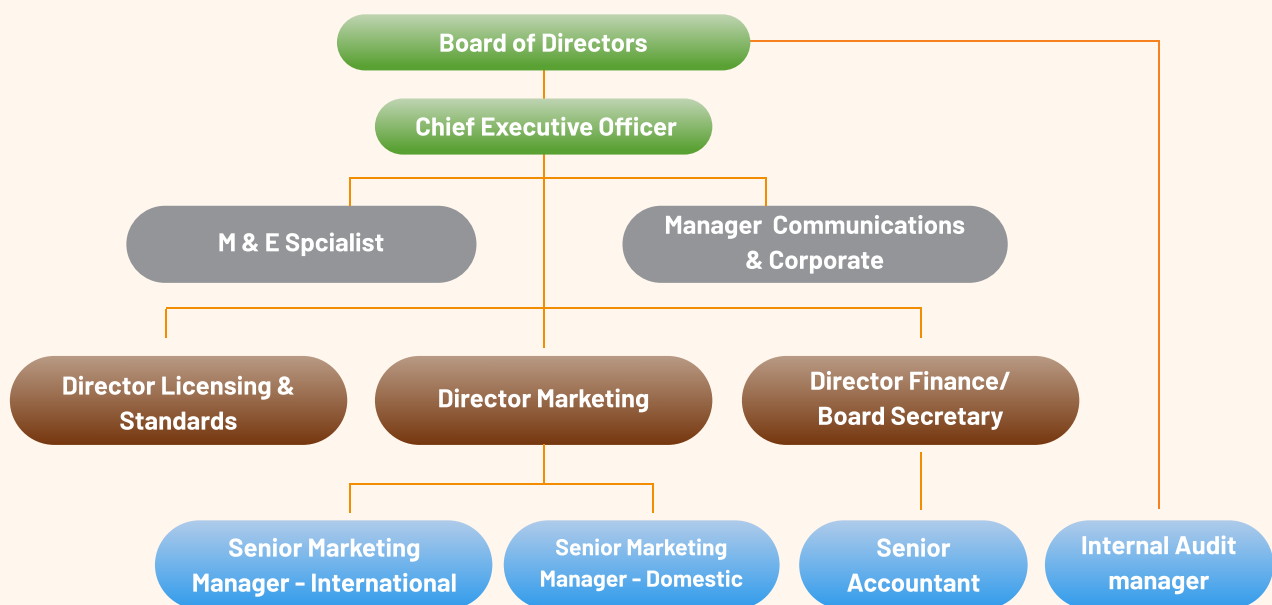
Statutory Mandate

ZTA's statutory mandate includes the following key responsibilities:

- A. Marketing and promoting Zambia as a tourism destination locally and internationally.
- B. Regulating and licensing tourism enterprises to ensure compliance with minimum established standards.
- C. Monitoring and enforcing standards within the tourism industry.
- D. Advising the Government on tourism policy matters.

ZTA operates under the oversight of the Ministry of Tourism and reports directly to the Ministry. This relationship ensures alignment with national tourism policies and strategic objectives set by the GRZ.

Organisational Structure



The organizational structure of the ZTA is designed to ensure clear lines of responsibility, oversight, and accountability within the agency:

Board of Directors



Daan Brink (Board Chairperson)

A seasoned private entrepreneur and respected business executive, Daan Brink brings an impressive 40 years of experience in the adventure tourism and aviation sectors. His leadership is informed by a deep understanding of these industries, making him a visionary force at the helm of the Zambia Tourism Agency. His expertise drives strategic decisions that position Zambia as a dynamic player in the global tourism arena.



Celine Meena Nair

A distinguished legal practitioner and advocate of the High Court of Zambia, Celine Meena Nair has over 25 years of experience in corporate law, board governance, and both private practice and government service. Now serving her second term as a board member, she brings a wealth of legal insight and governance acumen, anchoring the board's commitment to integrity and accountability.



Dr. Lucy Nyundo

As a chartered marketer, consultant, lecturer, and researcher, Dr. Lucy Nyundo's expertise spans over a decade, with a solid foundation in marketing and academia. Representing the Zambia Institute of Marketing (ZIM), Dr. Nyundo's insights contribute significantly to ZTA's strategic marketing initiatives, helping to create a brand that resonates with international and local tourists alike.



Andrew Mwinga

A senior government official, Andrew Mwinga serves as the Assistant Director in the Ministry of Local Government. His extensive knowledge of public administration and local governance provides invaluable support to the board's strategic alignment with national tourism objectives, ensuring that ZTA's efforts resonate with community and



Lilian S. Bwalya

Lilian Bwalya, a senior officer within the Ministry of Tourism, currently serves as a Director, lending her profound expertise in tourism policy and administration to ZTA's goals. Her role on the board reinforces ZTA's commitment to fostering sustainable growth within Zambia's tourism landscape, aligning agency initiatives with the ministry's vision.



Keira Langford Johnson

A communications expert and business executive with two decades of experience in the travel and aviation industries, Keira Langford Johnson brings a strategic focus on brand communications and customer engagement. Her insights enhance ZTA's brand positioning, ensuring that Zambia's tourism offerings are effectively communicated to a global audience, making Zambia a memorable destination for travelers around the world.

Chief Executive Officer (CEO)

Reporting directly to the Board, the CEO is responsible for executing the Board's strategic vision and managing the daily operations of the agency. The CEO coordinates various departments and ensures ZTA's strategic goals are effectively pursued.

Director Marketing

The Director Marketing oversees the agency's marketing and promotional activities to position Zambia as a preferred tourism destination.

Director Licensing & Standards

This role is critical for maintaining quality and regulatory compliance within Zambia's tourism sector. The Director Licensing & Standards oversees the standards and licensing, ensuring tourism operators meet ZTA's regulations and quality benchmarks.

Director Finance

Responsible for ZTA's financial controls and ensuring accounting standards are maintained in reporting. The Director Finance is also responsible for resource mobilization, budgeting, and regulatory compliance in financial matters.

Board Secretary/Legal Counsel

This dual role provides essential legal support and guidance to both the Board and ZTA as a whole. Reporting to the CEO, the Legal Counsel ensures compliance with all legal standards, advises on risk mitigation, and manages the agency's legal matters, while the Board Secretary oversees the administrative functions related to the Board's operations.

Internal Audit Manager

This role has a dual reporting structure, with administrative accountability to the CEO and operational accountability to the Board. This arrangement ensures independence in assessing and reporting on the effectiveness of internal controls, compliance, and risk management.

Mandate of ZTA

In pursuit of its mandate, the ZTA has defined a clear vision, mission, and set of core values that serve as the foundation for its strategic direction. These components provide clarity of purpose, inspire our stakeholders, and frame the path toward positioning Zambia as a globally recognized and memorable tourism destination.

Vision

“Make Zambia a preferred and memorable tourism destination.”

The Agency’s vision statement underlines our commitment to elevating Zambia’s stature on the world stage as an exceptional, unforgettable destination for both domestic and international travelers. This vision guides ZTA’s long-term strategy, aiming to captivate tourists with Zambia’s unique and diverse attractions, from breathtaking natural landscapes to vibrant cultural heritage. By creating an indelible visitor experience, ZTA seeks to make Zambia not just a destination, but a distinct preference.

Mission

“To market Zambia as a tourist destination of choice. To enhance standards for the tourism industry to contribute to economic development.”

Our mission statement expresses ZTA's dual focus on active, targeted promotion of Zambia's tourism and steadfast enhancement of the industry's standards. Marketing Zambia as a destination of choice involves innovative branding and campaigns to inspire visitors, reinforcing Zambia's appeal amidst competitive global tourism markets. Additionally, by elevating operational standards, ZTA ensures the tourism sector's sustainable growth, translating into substantial economic contributions, community upliftment, and value creation across Zambia.

Core Values (PACE)

ZTA is guided by a set of core values encapsulated in the acronym “PACE” Pro-innovation, Adaptability, Customer Centricity, and Ethicality.



Pro-innovation

Embracing change and innovation, ZTA constantly seeks new ideas and creative approaches to market Zambia's tourism offerings effectively.



Adaptability

The Agency operates in a dynamic environment, demonstrating flexibility and responsiveness to evolving tourism trends, technological advancements, and market needs.



Core Values (PACE)



Customer Centricity

Prioritizing customer satisfaction, ZTA designs all initiatives to deliver the highest level of service, meeting and exceeding the expectations of both domestic and international tourists.



Ethicality

Maintaining integrity in all operations, ZTA upholds transparency, accountability, and ethical standards across every aspect of its activities, building trust with stakeholders.



I Strategic Objectives and Pillars

ZTA's mission and vision are driven by six key strategic pillars, each playing a vital role in establishing Zambia as a tourism destination of choice and ZTA's goals align with national development priorities.

1. Stakeholder Engagement

ZTA actively engages with local communities, government entities, private sector players, and international organizations to foster a collaborative tourism ecosystem. By strengthening partnerships and advocacy, ZTA aligns its objectives with those of stakeholders to advance sustainable tourism, aligning with community and environmental priorities.

2. Marketing and Brand Awareness

Through this pillar, ZTA seeks to increase Zambia's visibility and allure on the global tourism map. Innovative marketing strategies, from digital campaigns to strategic alliances with travel influencers, showcase Zambia's diverse attractions. ZTA's branding efforts emphasize authenticity, nature, and heritage, appealing to travelers seeking unique, memorable experiences.

3. Regulation

ZTA plays a critical regulatory role by licensing and overseeing tourism operators, ensuring compliance with established industry standards. This regulatory oversight not only maintains service quality but also instills trust in visitors by ensuring their safety and satisfaction. Through rigorous standards and periodic assessments, ZTA upholds the quality of Zambia's tourism offerings, safeguarding its reputation as a premier destination.

4. Operational Excellence

ZTA is dedicated to achieving high standards of operational efficiency, streamlining processes, and embracing technology to improve service delivery. This commitment to operational excellence ensures that ZTA remains agile and resource-efficient, fostering continuous improvement in its functions to enhance stakeholder experiences and organizational impact.

5. Financial Sustainability

Recognizing that long-term success depends on sound financial management, ZTA pursues sustainable revenue streams through public-private partnerships, prudent financial practices, and value-adding services. This approach ensures that ZTA's programs are adequately funded, allowing it to invest in impactful initiatives without compromising fiscal responsibility.

6. Human Capital

ZTA acknowledges that its workforce is its most valuable asset. Investing in continuous professional development, fostering a culture of innovation, and promoting a high-performance environment are core to building a skilled, motivated, and future-ready team. Through talent management and capacity-building initiatives, ZTA empowers its staff to drive the Agency's vision and mission with passion and expertise.

Guiding Statutes and Blueprints

The operations and strategic thrust of ZTA are guided by several key documents and policies, including:

- A. The Tourism and Hospitality Act No. 13 of 2015** – Provides the legal framework for ZTA’s establishment and its regulatory functions.
- B. The National Tourism Policy** – Outlines the Government’s vision, goals, and strategies for the tourism sector.
- C. The Eighth National Development Plan (8NDP)** – A blueprint for Zambia’s development, with tourism identified as a key sector for economic diversification and growth.
- D. The Zambia Tourism Master Plan** – A long-term strategy document that provides a roadmap for the development of the tourism sector, with a focus on sustainable growth and increased competitiveness.
- E. ZTA Strategic Plan** – A medium-term strategy document that outlines objectives and strategies to grow tourism in the period 2022-2026
- F. Annual Marketing Plan** – An annual roadmap to guide the achievement of growth milestones each year

As Zambia’s tourism industry continues to recover from the impacts of the COVID-19 pandemic, the ZTA is focusing on the following strategic priorities to drive growth, enhance competitiveness, and promote sustainable tourism development:

Market Diversification and Promotion

- Expanding Source Markets – ZTA aims to diversify its source markets by targeting emerging markets in addition to traditional ones. The focus will include countries in Asia, the Middle East, and within the African continent.
- Digital Marketing and Innovation – Increasing investment in digital marketing platforms and leveraging data-driven strategies to enhance Zambia’s visibility online. The Agency will intensify social media campaigns, virtual experiences, and influencer collaborations to reach broader audiences.

Product Development and Diversification

- Enhancing Tourism Offerings – Developing and promoting diverse tourism products such as adventure tourism, cultural tourism, eco-tourism, and conference tourism (MICE – Meetings, Incentives, Conferences, and Exhibitions).
- Tourism Infrastructure Improvement – Collaborating with the government and private sector to improve infrastructure, including roads, airports, and accommodation facilities, especially in less-explored regions with tourism potential.

Strengthening Tourism Standards and Regulations

- Improved Regulatory Framework – ZTA will continue to enhance its regulatory role by strengthening standards and ensuring compliance across the tourism value chain. This will involve streamlining

licensing processes and intensifying inspections to maintain quality and safety standards.

- Capacity Building - Invest in training and skills development for industry players, particularly small and medium enterprises (SMEs), to improve service delivery and enhance competitiveness.

Sustainable Tourism and Community Involvement

- Promoting Green Tourism - Prioritizing environmentally sustainable tourism practices that preserve natural resources and reduce the carbon footprint of tourism activities. ZTA will promote eco-certification programs and partnerships with conservation organizations.
- Community Empowerment - Supporting initiatives that involve local communities in tourism activities to ensure they benefit directly from tourism development. This includes promoting community-based tourism enterprises and cultural heritage projects.

Strategic Partnerships and Stakeholder Engagement

- Public-Private Partnerships (PPPs) - Encouraging greater collaboration with private sector stakeholders to boost investment in the tourism sector. ZTA will engage in joint ventures, especially for large-scale tourism projects and infrastructure development.
- Regional and International Cooperation - Strengthening partnerships with regional tourism bodies like RETOSA and aligning with international tourism frameworks set by UNWTO to position Zambia competitively within global tourism markets.

Data-Driven Decision Making and Research

- Tourism Intelligence - Enhancing research and data collection efforts to guide strategic decisions. ZTA will focus on improving visitor data analytics, tourism receipts tracking, and market intelligence to support targeted marketing and policy formulation.
- Customer Experience and Feedback - Implementing systems to capture and analyze tourist feedback to improve service quality, develop targeted products, and enhance the overall visitor experience.

Resilience Building and Crisis Management

- Pandemic Recovery and Resilience - Implementing strategies to rebuild the tourism sector post-COVID-19 by prioritizing health and safety standards, promoting domestic tourism, and ensuring the sector is better prepared for future shocks.
- Tourism Risk Management Framework - Developing comprehensive frameworks to manage potential risks, including environmental disasters, health crises, and geopolitical factors that may impact tourism flows.

Through these strategic priorities, ZTA is committed to revitalizing Zambia's tourism industry, enhancing its competitiveness, and ensuring that tourism remains a key driver of economic growth, job creation, and sustainable development.

Executive Summary

Zambia's tourism sector demonstrated a remarkable recovery in 2022, with substantial increases in tourist arrivals, GDP contributions, and revenue generation. This performance highlights the sector's resilience and its central role in driving economic growth, reinforcing Zambia's position as a premier destination for international and regional travelers.

Economic Performance

The global economy experienced significant recovery in 2021, achieving a 6.3% growth after the sharp contraction of -2.9% in 2020. However, this momentum slowed in 2022, with global growth moderating to 3.15% due to inflationary pressures, supply chain disruptions, and geopolitical tensions. Despite these challenges, Zambia's economy demonstrated resilience. After contracting by -2.8% in 2020, Zambia's GDP grew by 6.2% in 2021 and moderated to 5.20% in 2022, largely driven by the mining and agriculture sectors, as well as a resurgence in international travel that bolstered tourism's recovery.

International Tourist Arrivals

Tourism in Zambia rebounded strongly in 2022, with international tourist arrivals doubling to 1,060,000, up from 554,000 in 2021. This remarkable growth was driven by the easing of global travel restrictions, Zambia's increased marketing efforts, and the pent-up demand for international travel. The resurgence reflects growing confidence in Zambia as a destination, particularly for nature-based and adventure tourism.

Tourism Contribution to GDP

Tourism's contribution to Zambia's GDP reflected a steady recovery, increasing from

1.1% in 2021 to 1.9% in 2022. This highlights the sector's pivotal role in revitalizing the national economy, driven by rising international arrivals and enhanced tourism offerings across the country.

Tourism Receipts

In 2022, tourism receipts in Zambia experienced a significant 100% increase, doubling to USD 0.8 billion compared to the previous year. This strong recovery was fueled by heightened international demand, targeted marketing initiatives, and improved travel connectivity to key tourist destinations within the country.

Room Occupancy Rates

Hotel occupancy rates, a key indicator of the tourism sector's health, rose to 44.5% in 2022, up from 38.4% in 2021. This 6.1% increase underscores the growing demand for accommodation as international and domestic tourism recovered. The return of leisure and business travel, coupled with Zambia's appeal as a safe and attractive destination, contributed to this rise.

Tourist Arrivals by Transport Mode

While land arrivals continued to dominate, accounting for 79% of tourist entries in 2022, air travel steadily recovered, rising to 20%, reflecting increased connectivity and marketing efforts targeting long-haul markets. The recovery in air travel is a positive trend, indicating renewed interest from international visitors beyond Zambia's regional neighbors.

Top Source Markets for Tourists

Africa remained Zambia's dominant source market, contributing 87.7% of tourist arrivals. Zimbabwe and the Democratic

Republic of Congo (DRC) were the leading contributors, reflecting Zambia's strong regional ties. However, the gradual increase in international tourists from Europe and North America signals the success of Zambia's global marketing efforts.

Tourist Visits to Major National Parks

Visits to Zambia's national parks surged by 50% in 2022, with total visits rising to 75,159 from 49,989 in 2021. This growth was driven by the easing of travel restrictions and Zambia's focus on promoting eco-tourism. South Luangwa National Park saw the most significant increase in visits, up by 74%, highlighting the growing appeal of Zambia's wildlife and natural beauty.

Tourist Visits to Museums

Zambia's museums also experienced robust growth in 2022, with visits increasing by 82% compared to the previous year. Total visitor numbers reached 86,671, underscoring the effectiveness of domestic tourism campaigns and the return of international tourists interested in Zambia's rich cultural heritage.

Tourist Visits to Waterfalls

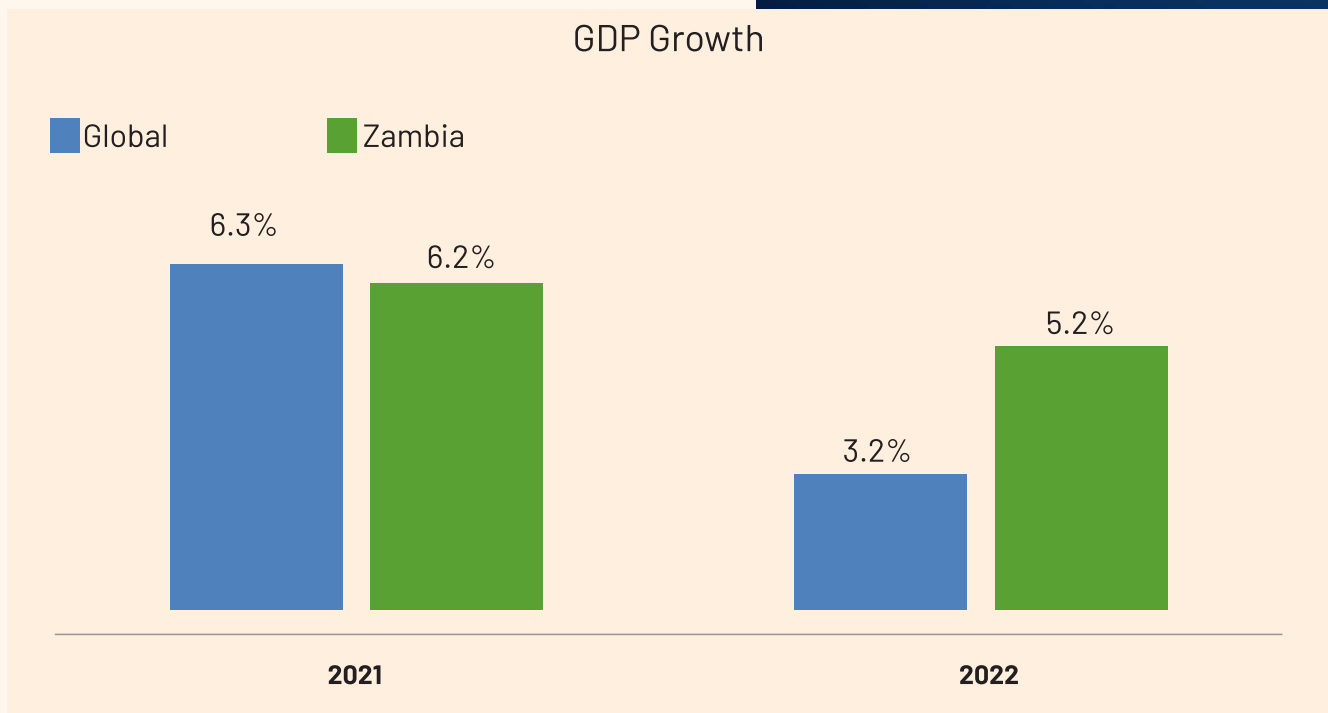
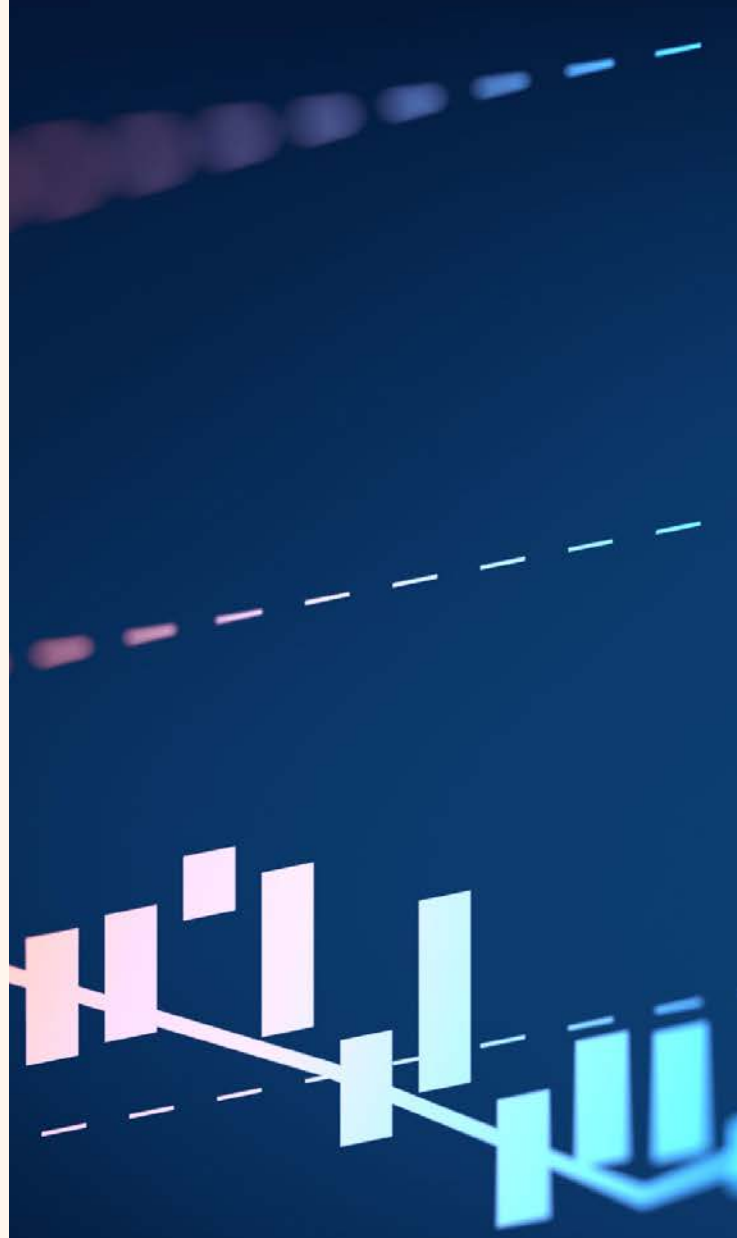
Waterfall attractions such as Victoria Falls saw a significant rise in visitors in 2022, with international and domestic tourist numbers growing from 134,661 in 2021 to 155,686 in 2022. Victoria Falls, Zambia's premier natural attraction, experienced a 17.5% increase in visits, further cementing its status as a key driver of tourism growth.



Economic Performance

The global economy showed marked recovery after the steep contraction of -2.9% in 2020 due to the pandemic, with a 6.3% growth in 2021. However, growth slowed in 2022 to 3.15%, reflecting lingering impacts of inflationary pressures, supply chain disruptions, and geopolitical tensions such as the Russia-Ukraine conflict. Despite these challenges, global economic performance remained positive.

Zambia's GDP similarly contracted by -2.8% in 2020, followed by a robust recovery of 6.2% in 2021, driven by a resurgence in key sectors such as mining and agriculture, as well as the reopening of global markets. In 2022, Zambia's GDP growth rate moderated to 5.20%, signaling continued recovery but at a slower pace compared to 2021. The tourism sector's rebound contributed to this economic growth, supported by increased international travel.



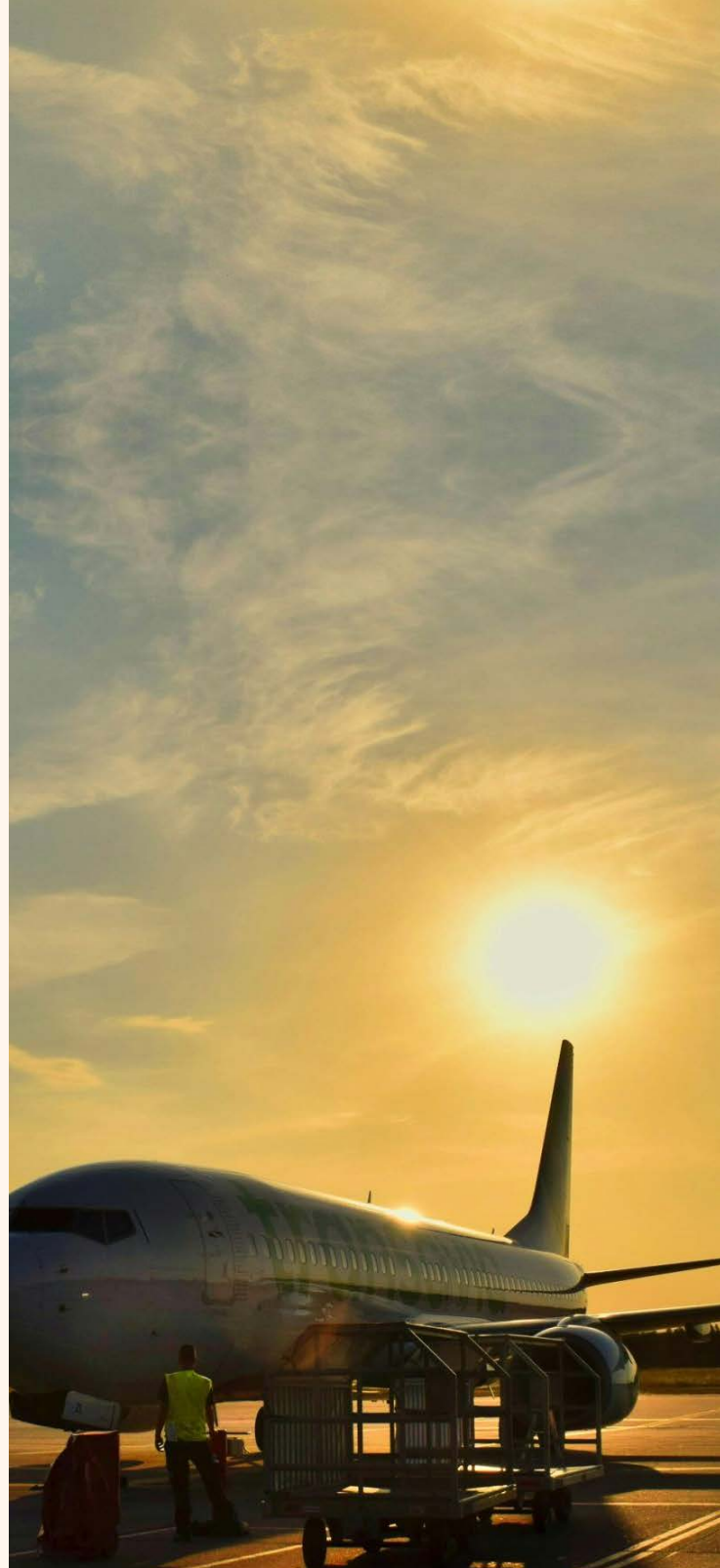
Source: World Bank

International Tourist Arrivals

International tourist arrivals to Zambia demonstrated a strong rebound in 2022. From a low of 502,000 arrivals in 2020 due to the pandemic, the sector began recovering in 2021 with 554,000 visitors. This upward trend was further amplified in 2022, where arrivals doubled to 1,060,000. Several factors contributed to this significant recovery:

- Relaxation of Travel Restrictions - Zambia's decision to relax COVID-19-related restrictions and the reopening of borders to international tourists allowed more visitors to enter the country.
- Increased Marketing Efforts - ZTA's targeted international marketing campaigns, especially in key source markets such as Africa and Europe, helped boost Zambia's visibility as a tourism destination.
- Resumption of International Flights - Major airlines resumed flights to Zambia, increasing connectivity and access for tourists.

While the total arrivals exceeded pre-pandemic levels, challenges such as global inflation and rising fuel costs may have prevented even higher numbers.



Source: Ministry of Tourism

Africa remained Zambia’s largest source market for tourists during the period, with over 88% of arrivals in 2021 coming from the continent. This trend continued in 2022, highlighting the importance of intra-regional travel. The relative proximity, shared cultural ties, and improved transport links have sustained strong tourism flows from African countries, particularly South Africa, Zimbabwe, and Tanzania.

- Europe maintained its contribution at 5% of total tourist arrivals, with many visitors drawn to Zambia's wildlife, adventure tourism, and cultural heritage. This market

has shown resilience despite challenges such as increased travel costs and geopolitical instability in Europe.

- Americas and South Asia saw slight increases in their share of tourist arrivals, reflecting ZTA's efforts to diversify source markets through targeted marketing strategies and partnerships.

Tourism from the East Asia and Pacific region slightly decreased, reflecting slower recovery in these markets, particularly from China, which maintained stricter travel restrictions into 2022.



Source: UNWTO



Tourism Contribution to GDP

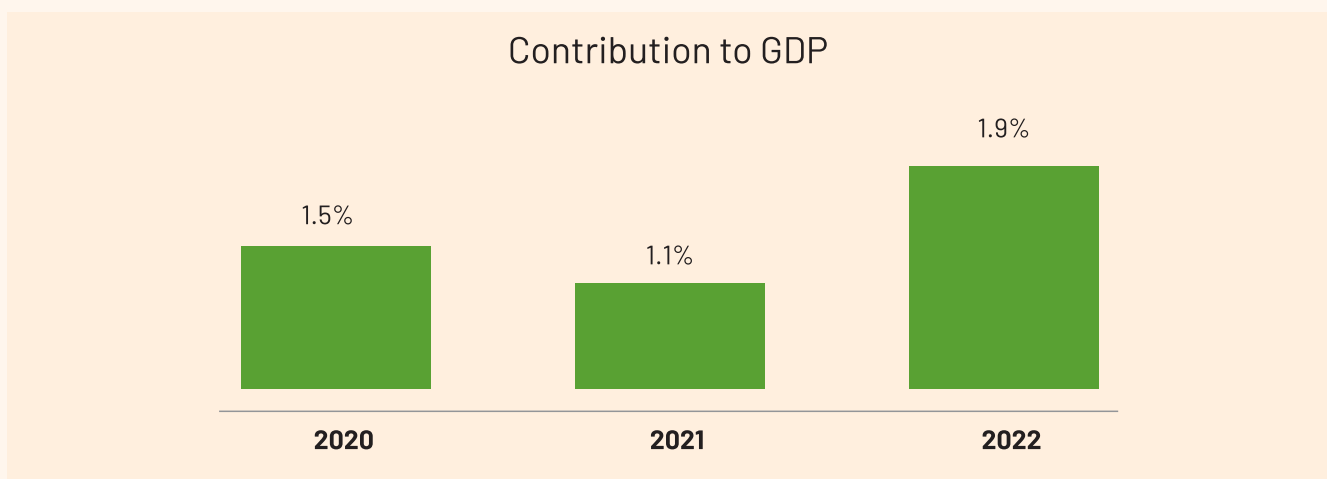
Tourism's contribution to Zambia's GDP dropped sharply during the pandemic, from 1.5% in 2020 to 1.1% in 2021, reflecting the adverse effects of travel restrictions and limited international tourist arrivals. However, 2022 saw a positive turnaround, with tourism contributing 1.9% to GDP.

The increase in tourism's contribution to GDP can be attributed to:

- **Recovery in International Arrivals** - The doubling of international tourist arrivals in 2022 significantly boosted foreign exchange earnings from tourism activities such as accommodation, tours, and wildlife

parks.

- **Domestic Tourism Growth** - Initiatives to promote domestic tourism continued to play a vital role in sustaining the sector, with more Zambians exploring local destinations.
- **Increased Investment in Tourism Infrastructure** - Continued investments in tourism infrastructure and services have helped improve Zambia's competitiveness as a tourism destination, making it more attractive to both local and international visitors.



Source: Ministry of Tourism

Tourism Receipts

The year 2022 continued the recovery of Zambia’s tourism sector, showing significant improvement following the impact of the COVID-19 pandemic. In 2020, Zambia’s tourism industry experienced a sharp contraction due to the global travel restrictions imposed to contain the COVID-19 pandemic. As a result, tourism receipts fell to USD 0.4 billion, a significant decline compared to pre-pandemic levels where the industry contributed substantially more to the country’s economy. The lockdowns and border closures meant fewer international visitors, and domestic tourism was not enough to offset these losses.

In 2021, tourism receipts remained at USD 0.4 billion, showing minimal growth. Although there was some recovery in tourist numbers, especially from regional markets, the cautious reopening of borders and lingering uncertainty over international travel continued to suppress revenue generation.

The slow recovery can also be attributed to the continued enforcement of travel restrictions in key source markets like Europe and the USA, limiting Zambia’s ability to attract high-value tourists. Additionally, domestic tourism—while beneficial—could not fully compensate for the loss of international tourists who generally spend more during their stay.

In 2022, tourism receipts doubled to USD 0.8 billion, marking a significant 100% increase over 2021. Several factors contributed to this sharp rise:

- **Full Reopening of International Borders -** By 2022, most countries had lifted their travel restrictions, allowing for greater mobility of international tourists, including those from high-spending markets. This contributed to a notable increase in arrivals and, consequently, tourism revenue.



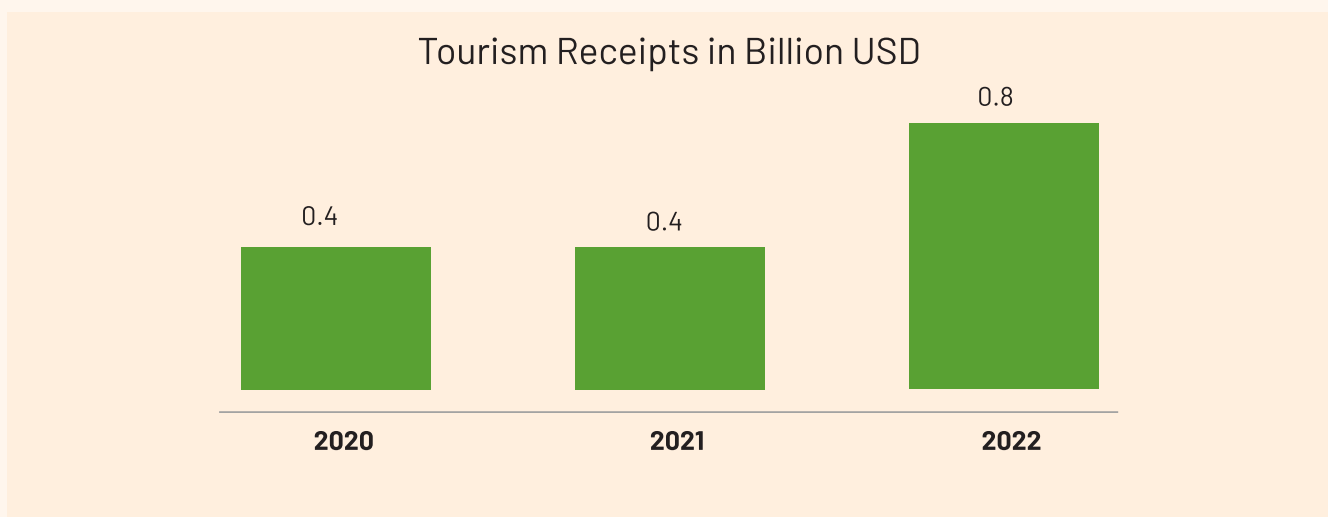
- **Successful Marketing Campaigns** - ZTA's intensified marketing efforts, particularly targeting both regional and long-haul markets, helped position Zambia as a safe and attractive destination for post-pandemic travelers. Campaigns like "Explore Zambia" resonated well with tourists seeking authentic and off-the-beaten-path experiences.
- **Return of Business Travel** - The resumption of international conferences, corporate meetings, and workshops added significantly to tourism receipts in 2022. Zambia's ability to host large events after two years of disruption provided a boost to sectors such as hospitality, transport, and catering, driving up tourism revenues.
- **Increased Domestic Travel** - While the bulk of the receipts came from international visitors, domestic tourism continued to grow in 2022. Many Zambians explored local destinations more frequently, contributing positively to the overall receipts.

The stable receipts in 2020 and 2021 were indicative of the industry's struggle to recover from the pandemic's initial impact. However, the dramatic growth in 2022 reflects the strong rebound in both international and

domestic travel. The increase in receipts can also be linked to the fact that high-value tourists began returning to Zambia, spending more on activities such as safaris, tours, and luxury accommodations.

Despite the positive growth in receipts, several challenges persisted:

- **Global Inflation** - Rising global inflation, particularly in key source markets, impacted the disposable income available for travel, potentially limiting the number of visitors from certain regions.
- **High Fuel Prices** - Elevated fuel prices affected both international flights and domestic travel costs, which may have constrained further growth in tourist numbers.
- **Infrastructure Gaps** - While Zambia has a wealth of natural attractions, the accessibility of some key destinations remains a challenge due to inadequate road and air transport infrastructure. This limits the potential for increased tourism receipts in remote but attractive areas.



Source: Ministry of Tourism

Room Occupancy Rates

The Zambian tourism sector witnessed a gradual but steady recovery in 2022, building on the improvements observed in 2021. The hotel occupancy rates in Zambia reflect the health of the tourism industry and the broader economic conditions, particularly in the wake of the COVID-19 pandemic.

The hotel occupancy rate in 2020 was 36.6%, representing a sharp decline from pre-pandemic levels. This was the direct result of the global travel restrictions and the domestic lockdown measures implemented to contain the spread of COVID-19. With international borders closed and very limited domestic travel, hotel bookings plummeted. During this period, only essential travel and minimal leisure activities took place, contributing to this low occupancy level.

In 2021, the hotel occupancy rate improved slightly to 38.4%, a 1.8% increase from 2020. This modest recovery can be attributed to the gradual reopening of international borders, particularly within the Southern African region, and the partial return of domestic tourism. However, global travel restrictions were still in place for several key source markets, particularly Europe and North America, which continued to limit Zambia's ability to attract international tourists. Additionally, the lingering effects of the pandemic kept some travelers cautious, further constraining the pace of recovery in hotel occupancy.

The most significant growth in hotel occupancy occurred in 2022, with the rate rising to 44.5%, a 6.1% increase from 2021. Several factors contributed to this remarkable recovery:

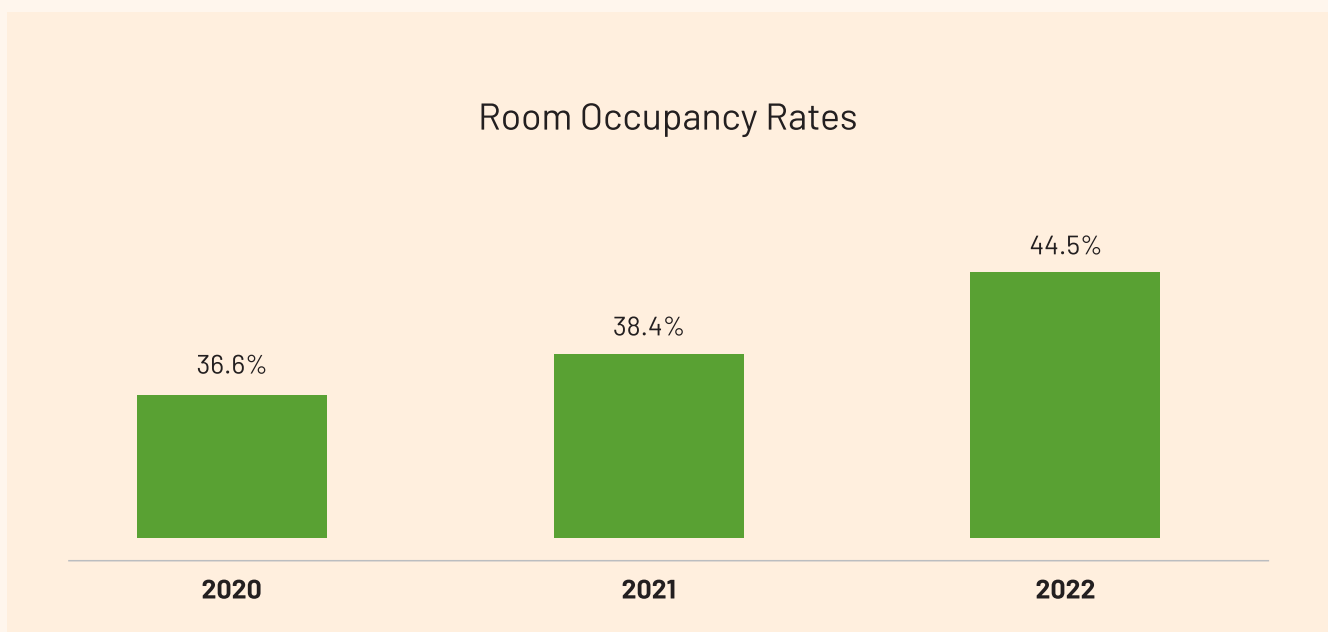
- **Lifting of Travel Restrictions** - By 2022, most countries had fully reopened their borders, and confidence in international travel was restored, particularly as vaccination campaigns rolled out globally. Zambia benefitted from the return of international tourists, especially from its key source markets in Europe, North America, and South Africa.
- **Increase in Domestic Tourism** - Local tourism campaigns, spearheaded by ZTA, encouraged more Zambians to explore their country. Promotions targeting domestic travelers helped stimulate hotel bookings, especially in major cities like Lusaka, Livingstone, and Ndola, as well as in wildlife and adventure destinations such as the South Luangwa National Park.
- **Business Travel and Conferences** - The resumption of business travel and in-person events, conferences, and exhibitions significantly boosted hotel occupancy. Corporate travel, which had been severely curtailed during the pandemic, returned strongly in 2022 as companies resumed operations and regional business activities picked up.
- **Improved Tourism Infrastructure** - Investment in hotel facilities and tourism infrastructure, particularly in destinations like Livingstone (Victoria Falls), Kafue National Park, and Lower Zambezi, contributed to higher demand from both domestic and international tourists. The improved quality of accommodations and services also played a role in attracting more bookings.

The upward trend in hotel occupancy rates from 2020 to 2022 highlights the recovery trajectory of Zambia’s tourism sector after the severe downturn caused by the pandemic. The low occupancy rate in 2020 was expected given the global disruption to travel. However, the steady improvement in 2021 and the more pronounced growth in 2022 indicate a rebound driven by increased travel confidence, lifted restrictions, and a rise in domestic tourism.

While the 2021 recovery was slow, reflecting the uncertainty and hesitancy in international travel, 2022 saw a more robust return of both leisure and business tourism. This recovery is consistent with global trends, where tourism destinations worldwide experienced a similar rebound as borders reopened and economic activities resumed.

Despite the improvements, the hotel occupancy rate in Zambia still faces certain challenges:

- **Inflationary Pressures** - Rising global inflation, particularly in source markets, has led to increased travel costs, which could have dampened demand. Similarly, higher operating costs for hotels, including food and energy, have made it more difficult for some operators to maintain competitive pricing.
- **Infrastructural Gaps** - While some progress has been made in tourism infrastructure, access to remote tourism destinations remains a challenge. Poor road conditions and limited domestic flight availability continue to hinder full recovery in some areas.
- **Competition from Other Destinations** - Zambia faces stiff competition from countries in the region such as South Africa, Botswana, and Namibia, which are also popular safari and nature tourism destinations. To sustain growth, Zambia needs to continue improving its marketing efforts and enhancing the visitor experience.



Source: Ministry of Tourism



Activities undertaken

In 2022, the ZTA undertook a series of strategic marketing initiatives designed to promote Zambia as a premier tourist destination, both domestically and internationally. Through targeted campaigns, private sector collaborations, and innovative digital marketing approaches, ZTA successfully enhanced Zambia's visibility, reaching diverse audiences and driving significant interest in the country's tourism offerings.

Visa Waivers: Expanding Access to Key Markets

One of the most significant milestones in 2022 was the introduction of visa waivers for several high-potential markets. The Government of Zambia announced waivers for tourists from the UK, USA, Canada, Australia, China, South Korea, the Gulf States, and the EU, among others. This progressive move aimed at simplifying travel to Zambia, substantially boosting our ability to attract

international visitors. As these regions represent a large segment of global travelers with high disposable income, the removal of visa barriers is expected to significantly increase tourist arrivals from these countries. This decision positioned Zambia as a more accessible and attractive destination, contributing to the growth in international arrivals noted in the year.

Weekly Radio Programs

To further engage with the public and promote awareness of Zambia's tourism products, ZTA aired weekly radio programs on Radio Phoenix every Wednesday and on Hot FM every Thursday. These programs provided a platform to discuss travel tips, showcase tourist attractions, and share updates on ongoing tourism initiatives. The programs were well-received, contributing to heightened interest in both domestic and international tourism opportunities.

Private Sector Partnerships: Boosting Visibility Through Events

Collaboration with the private sector remained a cornerstone of ZTA's marketing efforts in 2022. ZTA played a pivotal role in several high-profile events, including the Lusaka-July Festival, the Zambia International Trade Fair, and the Lusaka Agricultural and Commercial Show. These partnerships were instrumental in promoting Zambia's tourism potential to both local and international audiences, enhancing brand visibility, and fostering collaboration between stakeholders across the tourism ecosystem. Each event provided unique opportunities to showcase Zambia's culture, heritage, and natural beauty, further cementing the country's reputation as a must-visit destination.

MICE Marketing: Highlighting Zambia as a Business Destination

ZTA continued to promote Zambia as a leading destination for Meetings, Incentives, Conferences, and Exhibitions (MICE). A major highlight of 2022 was ZTA's participation in the AU Summit, where the Agency was responsible for the overall branding of the summit venue, including Kenneth Kaunda International Airport (KKIA). This high-profile event showcased Zambia's capacity to host international conferences and positioned the country as a competitive MICE destination, attracting further interest from corporate and business travelers.

Participation in International Tourism Expos

ZTA actively participated in key international tourism events, including the Sanganai/Hlanganani World Tourism Expo in Zimbabwe. This platform provided an excellent opportunity to network with global tourism stakeholders, share Zambia's unique offerings, and explore new market

opportunities. The Expo attracted major players from across the region and beyond, allowing ZTA to strengthen its presence in the global tourism marketplace.

International Marketing Campaigns

ZTA enhanced its international marketing presence through a series of targeted advertising campaigns in high-impact channels:

- A. BBC Wildlife Magazine** - ZTA placed two digital adverts in this renowned publication, targeting wildlife enthusiasts and eco-tourists.
- B. Travel Africa Magazine** - A full-page advertisement featuring Zambia's diverse tourism attractions was placed in this leading travel magazine, available on mobile platforms via the Travel Africa App, Apple Store, and Google Play.
- C. BBC Africa on DSTV** - A 30-second advert was aired during peak viewing times on BBC Africa, showcasing Zambia's natural beauty and adventure tourism potential to millions of viewers across the continent.

eMarketing Services: Reaching Global Audiences Online

Recognizing the power of digital platforms, ZTA continued to expand its online presence in 2022.

- A webinar targeting the North American travel trade was conducted, offering insights into Zambia's unique tourism offerings and establishing connections with tour operators and travel agents in that market.

- Newsletters were shared with key industry groups such as the Association for the Promotion of Tourism to Africa (APTA), keeping stakeholders updated on Zambia's latest developments.
- Digital marketing efforts continued across popular social media platforms including Facebook, Twitter, LinkedIn, Instagram, and TikTok. Through consistent engagement and content curation, ZTA significantly increased its online visibility, connecting with a broader, younger, and more digitally savvy audience.

Launch of the 2023 Marketing Plan

The Board of ZTA unveiled the 2023 Marketing Plan, laying out a comprehensive strategy to enhance Zambia's global tourism footprint. This event, attended by key stakeholders in the tourism and hospitality industries, underscored the Agency's commitment to driving growth and innovation in Zambia's tourism sector. The President's endorsement of the plan served as a strong signal of the government's continued support for the tourism industry and its vital role in Zambia's economic development.

The year 2022 was a year of significant progress for Zambia Tourism Agency. The marketing activities undertaken throughout the year have not only strengthened Zambia's position as a global tourism destination but also ensured that the country remains competitive in the increasingly dynamic travel industry. By leveraging strategic partnerships, embracing digital platforms, and removing travel barriers, ZTA is building a solid foundation for continued growth in the years

to come.

Together with our stakeholders, we look forward to further enhancing Zambia's tourism appeal, contributing to national development, and creating unforgettable experiences for visitors from around the world.

Tourism Arrivals by Transport Mode

The data indicates that in 2020, 82% of international tourists entered Zambia via land borders. This dominant share can be explained by the strong regional tourism traffic between Zambia and its neighboring countries, such as Zimbabwe, Namibia, Botswana, and South Africa. The figure also reflects the impact of global travel restrictions due to the COVID-19 pandemic, which led to a significant reduction in tourist arrivals by air.

In 2021, the percentage of tourists arriving by land decreased slightly to 80%. This marginal decline occurred as more countries began reopening their international airports and flight routes, leading to a slight recovery in air travel. Despite the small decrease, land travel still constituted the majority of tourist entries into Zambia.

In 2022, the share of land arrivals continued to decline slightly to 79%. This decline indicates that while land-based tourism remains vital to Zambia's inbound traffic, other modes of transport, particularly air travel, were gradually recovering. The continued high share of land arrivals highlights Zambia's reliance on regional tourism from neighboring countries.

The high reliance on land arrivals can be attributed to the proximity of Zambia to other tourism-heavy nations and the ease of cross-border travel for short-term visitors. However, the slight decline over the three-year period suggests a diversification in transportation methods as the aviation sector recovered. The increase in air arrivals in 2022 is likely due to more robust international marketing

efforts, as well as the return of long-haul international tourists.

Air travel accounted for 18% of tourist arrivals in 2020, reflecting the significant impact of COVID-19 on international air travel. Many flights were canceled, and stringent travel restrictions led to a sharp drop in tourist arrivals by air, especially from long-haul markets. In 2021, air arrivals rose slightly to 19%, indicating the start of a recovery in global air travel. Vaccination campaigns and the easing of travel restrictions in major source markets allowed more international visitors to return to Zambia by air.

By 2022, air arrivals further increased to 20%, indicating a positive trend in the recovery of the sector. The rise in air arrivals reflects a return of long-haul travelers and an increase in tourism promotion in international markets. The gradual increase in air arrivals between 2020 and 2022 is a positive sign of the tourism sector's recovery from the pandemic. As global travel restrictions eased, more tourists from key source markets opted to visit Zambia via air.

Throughout the three-year period, water arrivals remained consistently at 1%. This negligible figure reflects the limited contribution of water-based transport to Zambia's overall tourist arrivals, as Zambia is a landlocked country with no direct access to the ocean. Water arrivals are primarily linked to tourists traveling via river transport across neighboring countries.

The overall share of tourist arrivals by land decreased slightly from 82% in 2020 to 79% in

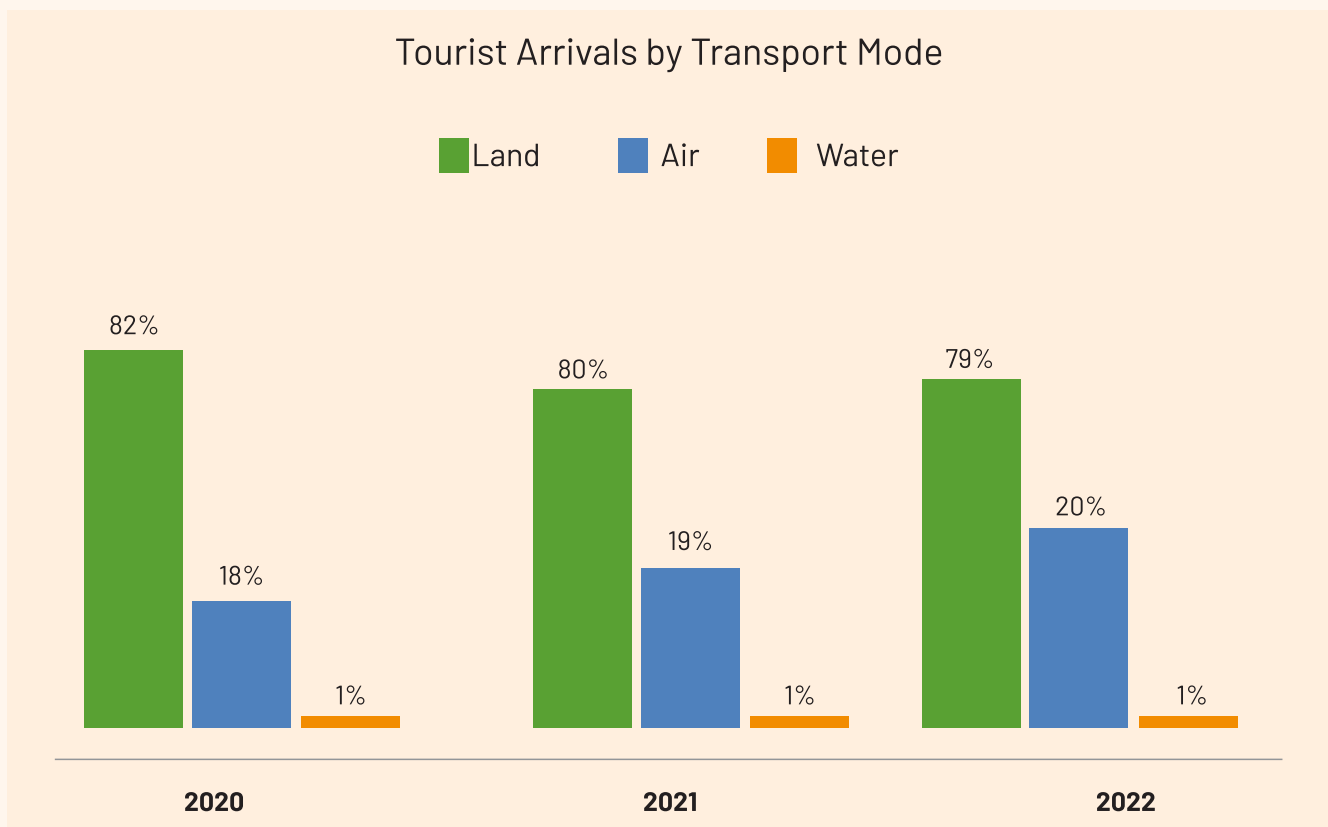
2022, while air arrivals increased from 18% to 20% during the same period. This trend reflects a gradual shift in transport preferences as the aviation sector recovers from the pandemic. The steady recovery of air travel, supported by increased marketing of Zambia as a safe and attractive destination, has helped boost the number of international tourists arriving by plane.

While the pandemic initially disrupted travel and restricted air arrivals, the data shows that Zambia's tourism sector rebounded in 2022, with more tourists traveling by air as restrictions eased. The slight decline in land arrivals suggests that, while regional tourism remains important, Zambia is regaining international tourists who arrive by air from long-haul markets.

The analysis of tourist arrivals by mode of transport reveals both challenges and

opportunities for the future. One of the challenges is maintaining high levels of land arrivals, which depend on the ease of cross-border travel. Disruptions at borders, whether due to health regulations or other policy changes, can significantly impact tourism flows. Additionally, while air arrivals are increasing, there remains a need for more flight connections and affordable airfares, particularly from key source markets.

On the other hand, there are opportunities for growth. The increase in air arrivals signals a chance to further target long-haul tourists, especially those seeking safaris, adventure tourism, and eco-tourism in Zambia's national parks. Continued collaboration with neighboring countries could help sustain the high share of land-based arrivals, particularly by promoting multi-country tourism packages.



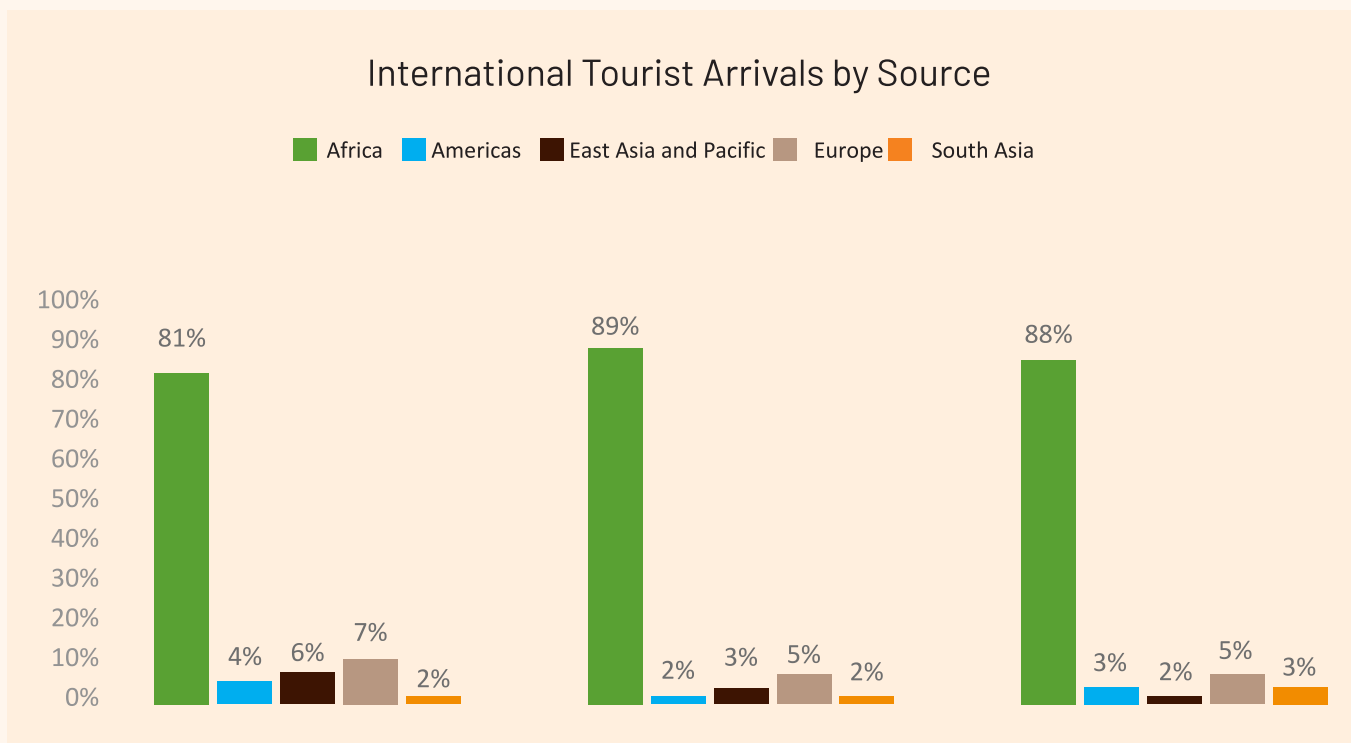
Source: Ministry of Tourism

Source Markets for Tourists

The data on international tourist arrivals by source further highlights the continued dominance of regional markets. In 2021, 87.7% of international tourists to Zambia were from Africa, predominantly from neighboring countries. This pattern is consistent with Zambia’s landlocked geography, where proximity and ease of cross-border travel play crucial roles. Zimbabwe and the Democratic Republic of Congo (DRC) were the largest contributors, with Zimbabwe accounting for 36.7% and DRC for 9.6% of visitors. The chart underscores the reliance on regional markets, as Zimbabwe alone contributed 184,000 tourists in 2020, representing the largest share.

In contrast, overseas markets such as the Americas, Europe, East Asia, and the Pacific remained subdued, with only marginal

recovery observed in 2021. The share of visitors from the Americas increased slightly from 1.69% in 2020 to 2.68% in 2021, while Europe saw a slight dip from 4.81% to 4.55%. The persistent challenges posed by global travel restrictions, quarantine measures, and vaccine rollouts contributed to the slower recovery of these markets. The pandemic particularly affected long-haul travel, which relies heavily on air transport, as reflected in the transportation mode statistics. While the share of tourists arriving by air improved from 17.7% in 2020 to 19.1% in 2021, it was still well below the 25.8% observed in 2019.



Source: UNWTO

Arrivals by Port of Entry

Tourist arrivals in 2022 rebounded sharply to 1,060,788, marking a 91.4% increase compared to 554,280 in 2021 and a staggering recovery from 664,007 in 2020. The upward trend in 2022 can be attributed to the easing of global travel restrictions related to the COVID-19 pandemic, increased marketing efforts by ZTA, and enhanced air connectivity to major tourist attractions in Zambia.

Performance at Airports

Airports accounted for 20% of the total tourist arrivals in 2022, slightly higher than the 19% in 2021 and 18% in 2020. This upward trajectory reflects the growing preference for air travel, especially by international tourists arriving for leisure or business purposes.

KK International Airport

Kenneth Kaunda International Airport, Zambia's largest and busiest airport, saw a dramatic surge in arrivals, registering 172,722 tourists in 2022, up from 88,188 in 2021 and 71,008 in 2020. This 96% increase from 2021 can be credited to improved international flight connectivity, the introduction of new routes, and targeted marketing campaigns promoting Zambia as a safe and desirable travel destination.

SMK International Airport

Simon Mwansa Kapwepwe International Airport also experienced a sharp rise in arrivals, from 11,953 in 2021 to 22,753 in 2022, a growth of 90%. In 2020, the number stood at 8,885, reflecting a continued upward trend. The recovery of tourism in the Copperbelt region, including industrial and mining-related tourism, contributed to this growth.

HMN International Airport

Harry Mwaanga Nkumbula International Airport, a gateway to Zambia's famous Victoria Falls, recorded a significant recovery, with 26,905 arrivals in 2022, compared to 5,407 in 2021 and 9,265 in 2020. This



nearly 400% surge reflects the revival of international tourism to the Victoria Falls area, which had been severely impacted by the pandemic.

Mfuwe International Airport

Mfuwe International Airport, the gateway to South Luangwa National Park, recorded 232 tourist arrivals in 2022, a modest increase from 94 in 2021 and 40 in 2020. The recovery here, though slower compared to the larger airports, reflects a gradual revival of eco-tourism and safari adventures that attract a niche market of high-value tourists.

Performance at Land Ports of Entry

Land arrivals, representing 79% of total arrivals in 2022, remained dominant but slightly lower than the 80% share in 2021. However, in absolute numbers, arrivals through land ports of entry grew significantly, from 448,638 in 2021 to 838,176 in 2022, an 87% increase. This can be attributed to the reopening of Zambia's land borders, improved infrastructure, and increased cross-border traffic as regional tourism rebounded.

Chirundu

Chirundu, the main entry point for tourists traveling from Zimbabwe and South Africa, saw a remarkable increase in tourist arrivals, jumping from 91,324 in 2021 to 207,593 in 2022, a 127% growth. The reopening of borders and an increase in road traffic through Chirundu contributed significantly to this surge.

Kasumbalesa

Kasumbalesa, located at the border with the Democratic Republic of Congo, recorded 86,294 arrivals in 2022, up from 66,240 in 2021 and 48,740 in 2020. This growth reflects not only an increase in business travel but also heightened interest in tourism to Zambia from neighboring countries.

Kazungula

The completion of the Kazungula Bridge, which links Zambia and Botswana, resulted in a dramatic rise in tourist arrivals, from 27,845 in 2021 to 72,266 in 2022. The bridge significantly improved the accessibility of Zambia from southern Africa, facilitating regional tourism and trade.

Nakonde

Nakonde, on the border with Tanzania, registered the highest number of land arrivals at 236,550 in 2022, up from 169,873 in 2021 and 189,173 in 2020. This reflects the strong cross-border economic ties between Zambia and Tanzania, as well as increased regional tourism.

Victoria Falls

Tourist arrivals through the Victoria Falls border post rebounded significantly, from 18,705 in 2021 to 92,826 in 2022. This 396% surge highlights the global appeal of Victoria Falls, as international tourists flocked back to this iconic natural wonder following the lifting of travel restrictions.

Performance at Water Ports of Entry

Water ports of entry remained marginal, accounting for only 1% of total arrivals in 2022, consistent with the preceding years. However, the small fluctuations in arrivals at water ports such as Mpulungu and Nsumbu reflect continued interest in lake tourism and access to Zambia via its northern borders.

Post-Pandemic Recovery

The sharp increase in tourist arrivals in 2022 compared to 2021 reflects a robust post-pandemic recovery. The global travel restrictions and border closures that severely impacted tourism in 2020 and 2021 have been lifted, allowing international tourists to return to Zambia in significant numbers.

Increased Air Connectivity

The increased number of tourist arrivals by air, particularly at Kenneth Kaunda International Airport, is a direct result of enhanced air connectivity and marketing initiatives by ZTA. The introduction of new international routes and partnerships with airlines has made Zambia more accessible to global tourists.

Revival of Regional Tourism

Land border crossings saw strong growth as regional tourism rebounded. The easing of travel restrictions within southern Africa, combined with improved infrastructure such as the Kazungula Bridge, has facilitated cross-border tourism, particularly from Zimbabwe, Botswana, and South Africa.

Challenges in Niche Markets

While major tourist entry points showed strong growth, niche markets such as eco-tourism at Mfuwe and lake tourism at Mpulungu saw slower recovery rates. These markets remain vulnerable to external shocks and require targeted marketing to attract high-value, niche tourists.

Port of Entry	2021	2022
KK International Airport	88,188	172,722
SMK International Airport	11,953	22,753
HMN International Airport	5,407	26,905
Mfuwe International Airport	94	232
Subtotal - Air	105,642	222,612
Chanida	13,895	14,662
Chirundu	91,324	207,593
Feira Luangwa	580	980
Jimbe	886	1,595
Kariba	1,059	11,117
Kasumbalesa	66,240	86,294
Katimamulilo	11,445	24,485
Kazungula	27,845	72,266
Kipushe	9,155	12,020
Mokambo	12,531	23,531
Mpulungu	6,693	4,848
Mwami	10,775	28,253
Sakania	7,526	21,028
Nsumbu	106	128
Nakonde	169,873	236,550
Victoria Falls	18,705	92,826
Subtotal - Land	448,638	838,176
Total	554,280	1,060,788

Source: Ministry of Tourism



| Tourist Visits to National Parks

In 2022, Zambia's major national parks experienced a remarkable surge in tourist visits, reflecting the broader recovery of the tourism industry. Total visits to key parks grew from 49,989 in 2021 to 75,159 in 2022, representing a 50% increase. This resurgence signals not only the lifting of travel restrictions but also the renewed interest in Zambia's unique wildlife and natural beauty, driven by marketing efforts, improved accessibility, and an increasing awareness of eco-tourism.

Each of Zambia's major national parks saw significant increases in visitation during 2022. Below is an analysis of the performance of the five major parks:

Mosi-oa-Tunya National Park

Tourist visits to Mosi-oa-Tunya National Park, home to the iconic Victoria Falls, rose by 34%, from 11,017 in 2021 to 14,743 in 2022. This increase is largely due to the resurgence of international tourists, particularly as Victoria Falls is a major attraction for global travelers. Additionally, marketing efforts aimed at

promoting Zambia's natural wonders have helped boost visitor numbers. The reopening of the Victoria Falls border post also played a crucial role in facilitating cross-border tourism.

Lower Zambezi National Park

Lower Zambezi National Park recorded a 34% growth in visits, from 8,405 in 2021 to 11,298 in 2022. This growth reflects the park's rising profile as a destination for adventure tourism, including river safaris and fishing excursions. The improved air connectivity to nearby airports also facilitated easier access for international tourists.

South Luangwa National Park

South Luangwa National Park, renowned for its wildlife safaris, saw an impressive 74% jump in tourist visits, from 15,826 in 2021 to 27,590 in 2022. This dramatic increase can be attributed to the resurgence of international tourists, many of whom had postponed their travel plans during the pandemic. Targeted eco-tourism campaigns and Zambia's

reputation for offering intimate safari experiences also contributed to the park's popularity.

Kafue National Park

Kafue National Park, Zambia's largest park, witnessed a 27% increase in tourist visits, rising from 12,426 in 2021 to 15,842 in 2022. While the park remains a key attraction for domestic tourists, international interest has also grown, particularly with the global trend towards conservation and wilderness tourism. Improved road access and accommodations within the park helped attract more visitors.

Lusaka National Park

Lusaka National Park experienced the highest percentage growth of all the parks, with visits increasing by a remarkable 146%, from 2,315 in 2021 to 5,686 in 2022. This surge can be attributed to the park's proximity to the capital, making it a convenient destination for both domestic and international tourists seeking wildlife experiences close to Lusaka. The park's popularity among families and educational groups also boosted its visitor numbers.

Tourist visits by type

The growth in total visits to Zambia's national parks is driven by significant increases in both domestic and international tourism, though the pace of growth varied between the two segments:

Domestic Tourist Visits

Domestic tourism continued to be a significant contributor to the total number of visitors, with domestic tourists accounting for 40,886 visits in 2022, up from 36,662 in 2021, a 12% increase. While this growth is more modest compared to the international

segment, it reflects the steady recovery of domestic travel following the pandemic. Increased awareness of Zambia's national parks through domestic tourism campaigns has encouraged more Zambians to explore their own natural heritage.

International Tourist Visits

International tourist visits to Zambia's national parks more than doubled in 2022, rising by an astounding 157%, from 13,327 in 2021 to 34,273 in 2022. This dramatic rebound can be attributed to the reopening of international borders, the lifting of travel restrictions, and the global pent-up demand for wildlife tourism. The increased visibility of Zambia as a premier safari destination, coupled with enhanced flight connectivity and collaborations with international tour operators, has driven this growth. Additionally, many international tourists sought Zambia as a destination for socially distanced, nature-based experiences, which became highly appealing during the post-pandemic era.

Key Trends and Insights

Post-Pandemic Recovery

The robust growth in tourist visits to Zambia's national parks in 2022 can be attributed to the global recovery from the COVID-19 pandemic. With international travel restrictions eased and confidence in air travel restored, Zambia saw a surge in international tourists, many of whom had postponed their trips in 2020 and 2021.

Rising Interest in Eco-Tourism

Zambia's reputation as a destination for sustainable and eco-friendly tourism has been bolstered in recent years, and this is reflected in the growing number of international visitors to parks like South Luangwa and Lower

Zambezi. Zambia’s focus on conservation, wilderness experiences, and responsible tourism has positioned the country as an attractive option for high-value eco-tourists.

example, easier access to South Luangwa and Kafue National Parks made these destinations more attractive to international and

Domestic Tourism as a Stable Segment

While international tourism grew at a faster rate in 2022, domestic tourism continued to play a vital role in sustaining visitor numbers at the national parks. Government campaigns encouraging Zambians to explore local tourism offerings, coupled with the affordability and accessibility of national parks for local residents, helped maintain a strong domestic tourism base.

Infrastructure Improvements

The increased accessibility to some of Zambia’s remote national parks through improved roads, better flight options, and enhanced accommodation facilities contributed to the growth in tourist visits. For

National Park	2021	2022	Change %
Mosi-oa-Tunya	11,017	14,743	34%
Lower Zambezi	8,405	11,298	34%
South Luangwa	15,826	27,590	74%
Kafue	12,426	15,842	27%
Lusaka	2,315	5,686	146%
Total	49,989	75,159	50%

Source: Ministry of Tourism



Tourist Visits to Museums

In 2022, Zambia's museums saw significant growth in visitor numbers, reflecting the broader recovery of the tourism sector post-pandemic. Total visits to the country's major museums surged from 47,598 in 2021 to 86,671 in 2022, representing a robust 82% year-on-year increase. This growth underscores the effectiveness of domestic tourism campaigns and the gradual return of international tourists.

Museum Tourist Visits

Choma Museum

Choma Museum, located in Southern Province, recorded a modest 3% increase in visitors, rising from 2,064 in 2021 to 2,131 in 2022. While this growth is slight, it reflects the museum's steady performance in attracting domestic tourists, particularly students and local history enthusiasts. Choma Museum's visitor base remains largely domestic, as international tourist interest in this site has not yet rebounded significantly.

Copperbelt Museum

The Copperbelt Museum experienced a substantial 86% growth in visitors, from 1,319 in 2021 to 2,458 in 2022. This increase is likely driven by growing interest in the region's industrial heritage, as well as enhanced marketing efforts targeting school groups and domestic tourists. Improvements in museum displays and educational programs may also have contributed to this upsurge in visitors.

Livingstone Museum

Livingstone Museum, Zambia's largest and oldest museum, saw its visitor numbers soar by 64%, rising from 22,565 in 2021 to 36,894 in 2022. This growth is partly due to the proximity of the museum to the popular Mosi-oa-Tunya National Park and Victoria Falls, which attract a large number of international tourists. Increased marketing of the museum as a key historical and cultural site, coupled with the reopening of borders, has played a pivotal role in drawing more visitors, particularly from abroad.

Lusaka Museum

Lusaka Museum recorded the most dramatic growth in visitor numbers, with a 163% increase, rising from 15,633 in 2021 to 41,072 in 2022. This exceptional growth can be attributed to the museum's strategic location in the capital city, making it easily accessible for both local and international tourists. The significant rise in visits may also reflect increased interest in Zambia's contemporary culture and history, as well as educational tours by schools and universities.

Moto Moto Museum

In contrast to the growth seen in other museums, Moto Moto Museum in Northern Province saw a 32% decline in visitor numbers, dropping from 6,017 in 2021 to 4,116 in 2022. This decline could be attributed to the museum's remote location, making it less accessible to tourists, particularly international visitors. Additionally, limited promotional activities targeting this museum may have affected its performance.

Breaking down the data by type of tourist reveals important trends in both domestic and international segments:

International Tourists

The number of international tourists visiting Zambia's museums increased dramatically, from 1,571 in 2021 to 6,368 in 2022, representing a 305% growth. This surge is a clear sign of recovery in global tourism as international travel restrictions were lifted and confidence in travel began to return. Livingstone Museum, in particular, benefited from this resurgence, as it is a key stop for international visitors exploring Victoria Falls and surrounding areas. The growing popularity of Zambia as a destination for cultural tourism also contributed to this rise in international visitors.

Domestic Tourists

Domestic tourism continued to be a major driver of visitor numbers, with 80,303 domestic tourists visiting the museums in 2022, up from 46,027 in 2021, marking a 74% increase. This significant growth reflects the effectiveness of domestic tourism campaigns encouraging Zambians to explore their cultural heritage. The strong performance of Lusaka and Copperbelt Museums, in particular, highlights the importance of regional tourism, with Zambians visiting museums as part of educational programs and local excursions.

Key Trends and Insights

Post-Pandemic Recovery

The strong recovery in museum visitor numbers in 2022 is indicative of the broader recovery of the tourism sector. After a challenging 2020 and 2021 due to COVID-19, the easing of travel restrictions and increased confidence in both domestic and international travel have fueled the resurgence in tourist numbers.

Domestic Tourism as a Pillar of Growth

The 74% increase in domestic tourist visits underscores the importance of Zambia's local population in sustaining tourism at cultural sites such as museums. School groups, local tourists, and families exploring cultural attractions contributed significantly to the overall performance of museums in 2022.

International Tourism Rebounds

The 305% growth in international tourist visits highlights the role of international visitors in the revival of Zambia's museum sector. Livingstone Museum, in particular, saw a strong influx of global travelers, benefiting from its proximity to Zambia's most famous attraction, Victoria Falls. This trend is

expected to continue, with further international promotion efforts likely to attract even more cultural tourists in the coming years.

Museums as Cultural Tourism Hubs

Museums in Zambia are not only historical and educational centers but also play an increasingly important role in attracting cultural tourists. With more international visitors seeking meaningful cultural experiences, Zambia’s museums are poised to benefit from the growing global interest in heritage tourism.

Museum	2021	2022	Change %
Choma	2,064	2,131	3%
Copperbelt	1,319	2,458	86%
Livingstone	22,565	36,894	64%
Lusaka	15,633	41,072	163%
Moto Moto	6,017	4,116	-32%
Total	47,598	86,671	82%

Source: Ministry of Tourism



Tourist Visits to Waterfalls

The year 2022 marked a significant period for Zambia's tourism sector, reflecting both improvements and challenges in domestic and international tourist activity. Below is an in-depth analysis of the 2022 tourism performance compared to 2021, with a focus on key waterfalls and natural attractions across the country.

Domestic Tourism Performance

Overall, domestic tourism showed an upward trend in 2022, with a total of 155,686 domestic tourists visiting Zambia's key waterfalls, compared to 134,661 in 2021—an increase of approximately 16%. A notable example is Victoria Falls, where domestic visits rose from 113,707 in 2021 to 133,514 in 2022, marking a 17% increase. Other notable domestic improvements include Chishimba Falls (up by 32%) and Lumangwe Falls (increased by 25%). However, some falls, such as Lufubu Falls and Mutanda Falls, saw a decline, with Lufubu experiencing a 32% reduction in domestic visitors.

The rise in domestic tourism could be attributed to several factors, including government and ZTA campaigns promoting local tourism in the wake of the COVID-19 pandemic, which had caused a downturn in international travel and prompted Zambians to explore their own country.

International Tourism Performance

International tourism also rebounded significantly in 2022, although the numbers remain modest compared to domestic tourism. In 2022, Zambia recorded 34,201 international tourist arrivals to its key waterfalls, compared to 10,531 in 2021—a 225% surge. This dramatic recovery can largely be credited to the gradual reopening of borders and easing of travel restrictions following the global pandemic.

Victoria Falls continued to dominate international tourism, with international visits rising from 10,265 in 2021 to 33,742 in 2022, representing a 229% increase. Other key waterfalls such as Kundalila Falls, Chishimba

Falls, and Kalambo Falls saw a notable increase in international visitors, reflecting broader recovery trends in tourism globally.

The increase in international tourists may be tied to enhanced marketing efforts targeting key international markets, as well as improved infrastructure and accessibility to major attractions. Additionally, Zambia's recognition as a safe and attractive post-pandemic destination likely played a role in encouraging international travel.

Site-Specific Performance Highlights

A. Victoria Falls - Both domestic and international visits surged, making it the crown jewel of Zambia's tourism, with a 17% increase in domestic and 229% in international visits.

B. Chishimba Falls - Showed strong

performance, particularly in domestic tourism (up 32%), while international visits grew threefold.

C. Kalambo Falls - Significant growth in both domestic (12%) and international (120%) tourism highlighted its rising profile as a must-see destination.

D. Ntumbachushi Falls - A rare decline was observed in domestic visits, dropping by 26%, though international visits slightly increased.

E. Nyambwezu Falls - While domestic tourism fell by 39%, the falls maintained a small but consistent international presence, with 3 visitors in 2022.

F. Lufubu Falls - The falls saw a significant drop in domestic tourists, likely due to accessibility challenges or a shift in tourist preferences towards more popular sites.

Waterfalls	2021		2022	
	Domestic	International	Domestic	International
Nyambwezu Falls	170	4	104	3
Mutanda Falls	113	-	95	1
Kundalila Falls	1,283	13	1,339	65
Chilambwe Falls	423	17	380	15
Chipoma Falls	1,068	11	1,174	25
Chishimba Falls	7,046	35	9,291	105
Kalambo Falls	1,534	34	1,721	75
Lufubu Falls	1,030	-	698	-
Lumangwe Falls	920	63	1,154	94
Mumbuluma Falls	2,526	46	2,580	30
Ntumbachushi Falls	4,670	27	3,439	46
Victoria Falls	113,707	10,265	133,514	33,742
Kundabwika Falls	171	16	197	-
	134,661	10,531	155,686	34,201

Source: National Heritage Conservation Commission



■ Licensing and Standards

In 2022, the Licensing and Standards team of the ZTA set ambitious targets to enhance the quality and compliance of tourism establishments across the country. The strategic objectives aimed to reinforce minimum standards, expand the grading system, and integrate digital platforms to improve service delivery. Key objectives included:

- A. Conducting inspections for at least 1,000 establishments to ensure compliance with the minimum standards set by ZTA.
- B. Creating awareness about the Government Services Bus (GSB) platform for Licensing and

Grading. The goal was to migrate all tourism establishments to this platform by the end of the year, ensuring efficient and streamlined processes.

- C. Achieving the revenue collection target by enforcing standards and licensing regulations.

The Licensing and Standards team planned to issue 250 licenses but exceeded its target significantly by issuing 451 licenses. However, the issuance of grading certificates fell short of the planned target of 35, with only 16 certificates issued

Financial Performance

The Directors submitted their report and audited financial statements for the year ended 31 December 2022 with the following details:

Status of the Agency

ZTA was established under the Tourism and Hospitality Act No. 13 of 2015. By virtual of the Act, all the assets and liabilities and rights and obligations of the former Zambia Tourism Board vested in the Agency

Principal Activities

ZTA's main activity is to promote and regulate the tourism industry in Zambia. The Agency's operations are dependent on Government grants

Results

The Agency's results for the year were as follows:



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Independent Auditor's Report

To the Minister of Tourism

Report on the financial statements

Opinion

We have audited the financial statements of the Zambia Tourism Agency ("the Agency"), which comprises the statement of financial position as at 31 December 2022 and the statement of comprehensive income, the statement of movement in reserves and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA)*, and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



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Independent Auditor's Report (*continued*)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Independent Auditor's Report (*continued*)

Other Information

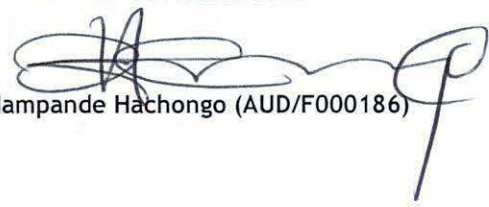
The Directors are responsible for the other information included in the Annual Report. Other information includes the Directors' Report and Supplementary Information set out on pages 32 to 34. Our opinion on the financial statements does not cover other information and we do not express an audit opinion thereon. Our responsibility is to read the other information and consider whether the information therein is materially consistent with the financial statements. If based on our work, we conclude that there is a material misstatement; we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

As required by the Tourism and Hospitality Act No.13 of 2015 and the Public Finance Management Act of 2018 of the Laws of Zambia we report to you, based on our audit, that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of accounts, other records and registers have been kept by the Agency, so far as appears from our examination of those books and registers; and
- (c) the Agency's statements of the financial position and income and expenditure account are in agreement with the books of account.


MPH Chartered Accountants


Hampande Hachongo (AUD/F000186)

21/2/24
Lusaka, Zambia

Zambia Tourism Agency

For the year ended 31 December 2022

Statement of income and expenditure and other comprehensive income

	Note/Schedule	2022 K	2021 K
Revenue			
Income	Schedule 1	34,752,489	17,006,208
Other income	Schedule 1	1,566,266	1,044,656
		<u>36,318,755</u>	<u>18,050,864</u>
Expenditure			
Depreciation	Note 11	(744,536)	(344,255)
Employee costs	Schedule 1	(9,902,805)	(8,130,524)
Other operating expenses	Schedule 1	(23,100,606)	(9,757,050)
		<u>33,747,947</u>	<u>18,231,829</u>
Surplus/(Deficit) before net finance income		2,570,808	(180,965)
Fair value adjustment on investment property	Note 12	280,000	-
Net finance income	Schedule 1	272,484	165,762
Surplus/(Deficit) for the year		3,123,292	(15,203)
Other comprehensive income		125,000	-
Total comprehensive surplus/(deficit)		<u>3,248,292</u>	<u>(15,203)</u>

The accounting policies and notes on pages 13 to 34 form part of these financial statements.

Zambia Tourism Agency
For the year ended 31 December 2022

Statement of Financial Position

	Note	2022 K	2021 K
Assets			
Non-Current Assets			
Property, plant and equipment	11	4,236,486	3,539,139
Investment property	12	5,050,000	4,770,000
		<u>9,286,486</u>	<u>8,309,139</u>
Current Assets			
Trade and other receivables	13	252,000	287,971
Cash and cash equivalents	14	7,253,291	4,928,887
		<u>7,505,291</u>	<u>5,216,858</u>
Total Assets		<u>16,791,777</u>	<u>13,525,997</u>
Equity and Liabilities			
Funds and reserves			
Contributed reserves		4,129,162	4,129,162
Revaluation reserves		757,433	632,433
Accumulated reserves		7,374,122	4,250,830
		<u>12,260,717</u>	<u>9,012,425</u>
Current Liabilities			
Trade and other payables	15	4,531,060	4,513,572
		<u>4,531,060</u>	<u>4,513,572</u>
Total Equity and Liabilities		<u>16,791,777</u>	<u>13,525,997</u>

The financial statements set out on pages 9 to 31, which have been prepared on a going concern basis, were approved by the Board on 21/12/2022 and were signed on its behalf by:

.....
Director

.....
Director

The accounting policies and notes on pages 13 to 34 form part of these financial statements.

Zambia Tourism Agency

For the year ended 31 December 2022

Statement of Movement in Reserves

	Accumulated reserves K	Contributed reserves K	Revaluation reserves K	Total K
At 1 January 2021	4,266,033	4,129,162	632,433	9,027,628
Deficit for the year	(15,203)	-	-	(15,203)
Revaluation	-	-	-	-
At 31 December 2021	4,250,830	4,129,162	632,433	9,012,425
Surplus for the year	3,123,292	-	-	3,123,292
Revaluation surplus	-	-	125,000	125,000
At 31 December 2022	7,374,122	4,129,162	757,433	12,260,717

Revaluation reserves

Revaluation reserves represent non-distributable reserves which arise from the revaluation surplus on buildings.

Accumulated reserves

The accumulated reserves represent accumulated retained income from the operations of the Agency.

Contributed reserves

By virtue of the Tourism and Hospitality Act No. 13 of 2015, the assets and liabilities and all rights and obligations of the former Zambian National Tourist Board vested in the Agency. The excess of assets over liabilities of K4, 129, 162 was treated as contributed reserves.

The accounting policies and notes on pages 13 to 34 form part of these financial statements.

Zambia Tourism Agency

For the year ended 31 December 2022

Statement of Cash flows

	2022	2021
Note	K	K
Cash inflow from operating activities		
Surplus/(deficit) for the year	3,248,292	(15,203)
Interest received	(269,578)	(165,762)
Fair value adjustment	(405,000)	-
Depreciation	10 744,536	344,255
Decrease/(increase) in trade and other receivables	13 35,971	(20,674)
Increase/(decrease) in trade and other payables	15 17,488	(2,879,681)
Net cash flows outflow from operating activities	<u>3,371,709</u>	<u>(2,737,065)</u>
Returns on investment and servicing of finance		
Interest received	269,578	165,762
Net cash flows from investments and servicing of finance	<u>269,578</u>	<u>165,762</u>
Investing activities		
Purchase of property, plant and equipment	(1,316,883)	(2,299,947)
Net cash flows used in investing activities	<u>(1,316,883)</u>	<u>(2,299,947)</u>
Net cash outflow before financing activities	2,324,404	(4,871,250)
Financing activities		
Capital grant received	-	-
Net cash flows used on financing activities	<u>-</u>	<u>-</u>
Movement in cash and cash equivalents		
Increase/(decrease) in cash and cash equivalents	2,324,404	(4,871,250)
Cash and cash equivalents at beginning of the year	4,928,887	9,800,138
Cash and cash equivalents at end of the year	<u>7,253,291</u>	<u>4,928,887</u>
Represented by:		
Cash in hand and at bank	7,253,291	4,928,887
14	<u>7,253,291</u>	<u>4,928,887</u>

The accounting policies and notes on pages 13 to 34 form part of these financial statements.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies

1. Status of the Agency

The Agency was established under the Tourism and Hospitality Act No.13 of 2015. By virtue of the Act, all the assets and liabilities and rights and obligations of the former Zambia Tourism Board vested in the Agency.

2. Principal activities

The Agency's main activity is to promote and regulate the tourism industry in Zambia. The Agency's operations are dependent on Government grants.

3. Basis of preparation and accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Tourism and Hospitality Act no 13 of 2015. They have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment and certain financial assets and liabilities at fair value through comprehensive income.

4. Significant accounting policies

The principal accounting policies applied by the Agency in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5. Income and revenue recognition

Revenue is recognized on an accrual basis. Income represents grants received from the Government of the Republic of Zambia and sales of publicity materials.

6.1. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus in reserves. Decreases that offset previous increases of the same assets are charged against revaluation reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

6.1. Property, plant and equipment (*continued*)

Depreciation is calculated to write off the cost of property and equipment on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

<i>Item</i>	<i>Rate</i>
Leasehold land and buildings	2%
Furniture and fittings	25%
Motor vehicles	25%
Partitioning and alterations	10 %

Investment properties are not depreciated.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income in other income.

When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to the retained earnings.

Where property, plant and equipment are financed by leasing agreements which give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest; the capital element is applied to reduce the outstanding obligations and the interest element is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability under the lease agreement for each of the accounting periods.

All other leases are operating leases and the annual rentals are charged to the income statement on a straight-line basis over the lease term.

Depreciation on the relevant assets is charged to the income statement over their useful lives.

6.2. Financial instruments

Financial assets and financial liabilities are recognised in the Agency's statement of financial position when the Agency becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Comprehensive Income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Comprehensive Income are recognized immediately in the statement of comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

6.2. Financial instruments (*continued*)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Agency has elected on initial recognition to measure at FVTOCI, the income previously accumulated in an investments revaluation reserve is not reclassified to the income statement, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Agency are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Agency, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Agency manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.
- A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Agency's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.
- Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in comprehensive income to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in income statement incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in comprehensive income.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

6.2. Financial instruments (*continued*)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in comprehensive income. The remaining amount of change in the fair value of liability is recognised in comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to income or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Agency that are designated by the Agency as at FVTPL are recognised in comprehensive income.

Fair value is determined in the manner described in note 20.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in comprehensive income for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in comprehensive income for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Agency derecognises financial liabilities when, and only when, the Agency's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in comprehensive income.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies *(continued)*

6.2. Financial instruments *(continued)*

When the Agency exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Agency accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in comprehensive income as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Agency does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

6.3. Impairment

Financial assets

The carrying amounts of the Agency's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in comprehensive income.

i) Calculation of recoverable amount

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised directly in reserves to comprehensive income. The cumulative loss that is removed from reserves and recognised in comprehensive income is the difference between the acquisition costs, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in comprehensive income. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in comprehensive income, then the impairment loss is reversed with the amount of the reversal recognised in comprehensive income.

Financial assets (continued)

ii) Reversals of impairment

An impairment loss in respect of a held to maturity security or receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Accounting Policies (continued)

6.3. Impairment (continued)

Non-financial assets

The carrying amounts of the Agency's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks.

6.5. Leases

The scope of IFRS 16 includes lease of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for leases-leases of 'low value' assets (e.g. personal computers) and short-term leases (i.e. lease with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use of an asset). Lessees will require to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use of an asset. Lessees will be required to re measure the lease liability upon the occurrence of certain events (e.g. a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the measurement of the lease liability as an adjustment to the right-of-use asset.

Lessors classify all leases between two types of leases; operating and finance leases.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

6.6. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset), are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are invested for short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of amounts is deducted from borrowing costs.

Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

6.7. Grants

Revenue grants are recognised as income in the Statement of Income and expenditure and other when there is reasonable assurance that they will be received and the Agency will comply with the conditions associated with the grant.

Capital grants for acquisition of capital assets are initially recognised as deferred income at cost or fair value. Subsequent to initial recognition, the cost or fair value is recognised as revenue in the Statement of Comprehensive Income on a systematic basis over the useful life of the respective asset.

6.8. Short term and long-term loans

Short term loans include all amounts expected to be repayable within twelve months from the reporting date, including instalments due on loans of longer duration. Long term loans represent all amounts repayable more than twelve months from the reporting date.

6.9. Taxation

The Agency is exempt from taxation under Section 15 of the Income Tax Act Cap 323 of the Laws of Zambia in accordance with paragraph 5 Part III of the second schedule of the same Act.

6.10. Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Agency operates (the 'functional currency'). The financial statements are presented in Zambian Kwacha, which is the Agency's presentation and functional currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

(iii) *Transactions and balances continued*

Translation differences on monetary items, such as equity at fair value through income, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in fair value reserve in retained earnings.

6.11. Employee benefits

(i) *Pension obligations*

The Agency contributes to the National Pension Scheme Authority (NAPSA) an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings up to the statutory limit.

(ii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Agency recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(iii) *Gratuity*

For fixed term contract employees, a gratuity is payable at the end of the contract. Contract period is 3 years. Gratuity is expensed to comprehensive income in the period the service is rendered.

6.12. Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognised when: the Agency has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

7. Management of financial risk

7.1. Financial risk

The Agency is exposed to a range of financial risks through its financial assets and financial liabilities (borrowings). The most important components of this financial risk are interest rate risk and credit risk.

These risks arise from open positions in interest rate and business environments, all of which are exposed to general and specific market movements.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (continued)

8 New standards and interpretations

8.1. New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) have become effective and are mandatorily effective for an accounting period that begins on or after 1 January 2022.

Annual improvements to IFRS Standards 2018-2020- Amendments to IFRS 1, First -Time Adoption of IFRSs, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	<p>The annual improvements relate to four standards.</p> <p><i>IFRS 1 First-Time Adoption of International Financial Reporting Standards</i></p> <p>The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences.</p>	The amendments are effective for annual periods beginning on or after January 1, 2022.
	<p><i>IFRS 9 Financial Instruments</i></p> <p>The amendment clarifies that in applying the '10 per cent ' test to assess whether to derecognize a financial liability, an entity includes only fees paid or receivable between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.</p>	The amendments are effective for annual periods beginning on or after January 1, 2022.
	<p><i>IFRS 16 Leases</i></p> <p>The amendment removes the illustration of leasehold improvements.</p>	No effective date applies.
	<p><i>IAS 41 Agriculture</i></p> <p>The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. To use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post tax cash flows and discount rates for the most appropriate fair value measurement.</p>	The amendments are effective for annual periods beginning on or after January 1, 2022.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (continued)

8.2 Significant accounting policies (continued)

Amendments to IFRS 3- Business Combinations- reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. They also add to IFRS 3 a requirement that for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. The amendments also require that an acquirer does not recognize contingent assets acquired in a business combination.	The amendments are effective for annual periods beginning on or after January 1, 2022.
IFRS 17 Insurance Contracts	The amendments address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date on the initial application of IFRS 17.	The amendments are effective for annual periods beginning on or after January 1, 2022.
Amendments to IFRS 10 and IAS 28	The amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate of a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.	Effective date has not been set yet.

8.3 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Agency has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Agency in future periods, except where indicated:

Standard	Requirement	Effective date
Amendment to IFRS 4 - Extension of the temporary exemption from applying IFRS 9	The IASB deferred the effective date of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. As a consequence, the Board extended the expiry date in IFRS 4 for the temporary exemption from IFRS 9 by two years to annual periods beginning on or after 1 January 2023. The extension maintains the alignment between the expiry date of the temporary exemption and the effective date of IFRS 17	Annual reporting periods beginning on or after 1 January 2023.
Amendment to IAS 1- Classification of Liabilities as Current or Non-current – Deferral of Effective Date	The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specifically that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the counterparty of cash, equity instruments, other assets or services.	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. The amendment may affect the Agency's classifications of liabilities as current or non-current.

Zambia Tourism Agency

For the year ended 31 December 2022

Accounting Policies (*continued*)

8.3 New and revised IFRSs in issue but not yet effective (*continued*)

<p>Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2 - Making Materiality judgements - Disclosure of Accounting Policies</p>	<p>The amendments change the requirements of IAS 1 and are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p>	<p>Annual periods beginning on or after 1 January 2023. Earlier application is permitted and is applied prospectively.</p> <p>The amendments will have an impact on the financial statements of the Agency.</p>
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9. Critical accounting estimates and judgements in applying accounting policies

The Agency makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Agency determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Agency monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Agency's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Impairment losses on receivables

When measuring expected credit loss the Agency uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Impairment of assets other than receivables

The carrying amounts of the Agency's assets other than receivables are reviewed at each reporting date to determine whether there is an indication of impairment. If any such exists, the asset's recoverable amount is estimated. This estimation requires significant judgement. An impairment loss is recognized in the income statement whenever the carrying amount exceeds the recoverable amount.

Zambia Tourism Agency
For the year ended 31 December 2022

Notes to the financial statements

	2022 K	2021 K		
10. Surplus/(Deficit) for the year				
Surplus/(Deficit) for the year is stated after charging:				
Depreciation	<u>744,536</u>	<u>344,255</u>		
And after crediting:				
Interest received	<u>269,578</u>	<u>165,762</u>		
11. Property, plant and equipment				
	Leasehold land and buildings K	Furniture and fittings K	Motor vehicles K	Total K
Cost/valuation				
At 1 January 2021	1,250,000	1,031,855	3,003,626	5,285,481
Additions	-	630,389	1,669,558	2,299,947
Revaluation	-	-	-	-
Disposal	-	-	-	-
At 31 December 2021	<u>1,250,000</u>	<u>1,662,244</u>	<u>4,673,184</u>	<u>7,585,428</u>
At 1 January 2022	1,250,000	1,662,244	4,673,184	7,585,428
Additions	-	335,039	981,844	1,316,883
Revaluation	50,000	-	-	50,000
Disposals	-	-	-	-
At 31 December 2022	<u>1,300,000</u>	<u>1,997,283</u>	<u>5,655,028</u>	<u>8,952,311</u>
Depreciation				
At 1 January 2021	50,000	728,422	2,923,613	3,702,034
Charge for the year	25,000	207,886	111,369	344,255
Disposal	-	-	-	-
At 31 December 2021	<u>75,000</u>	<u>936,308</u>	<u>3,034,982</u>	<u>4,046,289</u>
At 1 January 2022	75,000	936,308	3,034,982	4,046,289
Charge for the year	-	265,243	479,293	744,536
Write back on revaluation	(75,000)	-	-	(75,000)
Disposals	-	-	-	-
At 31 December 2022	<u>-</u>	<u>1,201,551</u>	<u>3,514,275</u>	<u>4,715,825</u>
Net book value				
At 31 December 2022	<u>1,300,000</u>	<u>795,732</u>	<u>2,140,753</u>	<u>4,236,486</u>
At 31 December 2021	<u>1,175,000</u>	<u>725,936</u>	<u>1,638,202</u>	<u>3,539,139</u>

The lot No. 14845/M of Chunga Safari Camp - Mumbwa is not on title.

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

	2022 K	2021 K
Revaluation		
<p>The revaluation of Lot No.14845/M, Chunga Safari Camp- Mumbwa was last done by Mr. Paul Moyo from Government Valuation Department on 19 October, 2022. The valuation surveyor is fully qualified and registered to practice valuation surveying in accordance with Section 3 of the Valuation Surveyors Act, Cap 207, of the Laws of Zambia. The basis adopted is market value. This is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.</p>		
12. Investment property		
At beginning of the year	4,770,000	4,770,000
Revaluation surplus	280,000	-
At end of the year	<u>5,050,000</u>	<u>4,770,000</u>
<p>The Investment Property is Lot No. 1918/M Itezhi-Tezhi and was revalued by a Valuation surveyor from the Department of Valuation and Property Management of the Government of Zambia on 19 October 2022.</p>		
13. Trade and other receivables		
Staff loans and advances	2,000	3,900
Sundry debtors	70,000	24,071
Lease rentals	180,000	260,000
	<u>252,000</u>	<u>287,971</u>
14. Cash and cash equivalents		
Cash at hand and at bank (note (a))	7,253,291	4,928,887
	<u>7,253,291</u>	<u>4,928,887</u>
(a) Cash in hand and at bank		
Bank balances:		
- within Zambia	7,214,175	4,922,921
- outside Zambia	39,116	5,966
	<u>7,253,291</u>	<u>4,928,887</u>

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

	2022 K	2021 K
15. Trade and other payables		
Trade creditors	884,489	2,445,719
Sundry creditors	1,633,783	170,941
Gratuity	1,502,543	1,490,605
Leave days provisions	510,245	406,307
	<u>4,531,060</u>	<u>4,513,572</u>

16. Related party transactions

The Agency undertakes to disclose the nature of related party relationships, and types of transactions necessary for the understanding of the annual financial statements. In the context of the Agency related party transactions include any transactions carried out with any of the following:

- Government ministries and parastatals;
- Board members; and
- Key management personnel.

The transactions to be reported are those that affect the Agency in making financial and operating decisions.

Transactions

(a) Key management compensation:

Salaries and other short term employee benefits	1,783,497	750,412
Terminal /gratuity benefits	884,489	199,375
(b) Directors' fees	<u>525,295</u>	<u>786,058</u>
(c) GRZ grant	<u>33,369,432</u>	<u>17,006,208</u>

Balance

(a) Loans to directors	<u>-</u>	<u>-</u>
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The Directors are of the opinion that all these related party transactions were conducted on arm's length basis and commercial terms.

17. Capital Commitments

The Agency had no capital commitments as at 31 December 2022 (2021: nil).

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

		2022 K	2021 K
18. Contingent liabilities			
<p>The Agency has two cases in the Courts of Law, the outcome of which is dependent on the court process. In the opinion of the Directors the outcome of the matters will have no significant impact on the operations of the Agency.</p>			
19. Financial instruments			
Categories of financial instruments			
<i>Financial assets</i>			
	Note		
Cash and bank balances			
- within Zambia	14 (a)	7,214,175	4,922,921
- outside Zambia	14 (a)	39,116	5,966
Sundry debtors	13	252,000	287,971
		<u>7,505,291</u>	<u>5,216,858</u>
<i>Financial liabilities</i>			
Trade payables	15	884,489	2,445,719
Other payables	15	3,646,571	2,067,853
		<u>4,531,060</u>	<u>4,513,572</u>

Financial risk management objectives

Management co-ordinates access to domestic markets, monitors and manages the financial risks related to the operations of the Agency. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

20. Financial instruments

Market risk

The Agency's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see below). The Agency does not trade in any derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk.

There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Agency undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board.

The carrying amount of the Agency's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

20. Financial instruments(continued)

Foreign currency risk management (continued)

Currency	Asset/liabilities	2022 K	2021 K
US Dollars	Bank balances	859,805	902,135
GBP	Bank balances	39,116	5,964
ZAR	Bank balances	-	-

The Agency is exposed to foreign exchange risk arising primarily from the holding of cash and bank balances denominated in foreign currency and related transactions for goods and services.

	Mid-market exchange rates as at 31 Dec 2022	Mid-market exchange rates as at 31 Dec 2021	Average currency depreciation during the year
US Dollars	18.26	19.99	8.65%

At 31 December 2022, if the US Dollar had appreciated or depreciated by 10% against the Kwacha, with all other variables held constant, the increase or decrease in the income/deficit for the year would have been K24,636 (2021: K62,800).

	Mid-market exchange rates as at 31 Dec 2022	Mid-market exchange rates as at 31 Dec 2021	Average currency depreciation during the year
GBP	22.02	22.57	2.44%

At 31 December 2022, if the GBP had appreciated by 10% against the Kwacha, with all other variables held constant, the increase or decrease in the income/deficit for the year would have been -K2,906 (2021: K1,576).

Interest rate risk management

The exposure to interest rate is reviewed regularly by management to align with interest rate reviews and defined risk appetite, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

20. Financial instruments (continued)

Credit management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Agency. The Agency has adopted a policy of only dealing with credit worthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Agency's maximum exposure to credit risk is analysed below:

	Notes	2022 K	2021 K
Staff loans and advances	13	2,000	3,900
Cash and bank balances - within Zambia	14(a)	7,214,175	4,922,921
- Outside Zambia	14(a)	39,116	5,966
- Other debtors	13	252,000	287,971
		<u>7,507,291</u>	<u>5,220,758</u>

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Agency's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Agency's remaining period for contractual maturity of its non - derivative financial assets and liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

	Note	1 to 3 months	3 months to 1 year	More than 1 year	Total
		K	K	K	K
31 December 2022					
Liabilities					
Trade payables	15	884,489	-	-	884,489
Sundry creditors	15	3,646,571	-	-	3,646,571
		<u>4,531,060</u>	-	-	<u>4,531,060</u>
31 December 2022					
Assets					
Bank and cash balances					
- within Zambia	14(a)	7,214,175	-	-	7,214,175
- outside Zambia	14(a)	39,116	-	-	39,116
Trade and other debtors	13	252,000	-	-	252,000
		<u>7,505,291</u>	-	-	<u>7,505,291</u>

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

20. Financial instruments (continued) Credit management(continued)

	Note				Total
		1 to 3 months	3 months to 1 year	More than 1 year	
Liabilities		K	K	K	K
Trade payables	15	2,445,719	-	-	2,445,719
Sundry creditors	15	2,067,853	-	-	2,067,853
		<u>4,513,572</u>	<u>-</u>	<u>-</u>	<u>4,513,572</u>
Assets					
Bank and cash balances					
- within Zambia	14(a)	4,922,921	-	-	4,922,921
- outside Zambia	14(a)	5,966	-	-	5,966
Trade and other debtors	13	287,971	-	-	287,971
		<u>5,216,858</u>	<u>-</u>	<u>-</u>	<u>5,216,858</u>

21. Fair value measurements

The information set out below provides information about how the Agency determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Stock Exchange).
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Agency considers relevant and observable market prices in its valuations where possible.

There are no financial assets and liabilities transferred between levels.

Fair value of the Agency's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial assets and liabilities that are measured at fair value on a recurring basis during the period. The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Zambia Tourism Agency

For the year ended 31 December 2022

Notes to the financial statements (continued)

20. Financial instruments (continued)

Fair value measurements (continued)

	Note	2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets		K	K	K	K
Bank and cash balance					
- within Zambia	14(a)	7,214,175	7,214,175	4,922,921	4,922,921
- Outside Zambia	14(a)	39,116	39,116	5,966	5,966
Trade and other debtors	13	252,000	252,000	287,970	287,970
Financial liabilities					
Trade payables	15	884,489	884,489	2,445,719	2,445,719
Other payables	15	3,646,571	3,646,571	2,067,853	2,067,853

21. Events subsequent to the reporting date

As at the date of signature of these financial statements, there were no material facts or circumstances that have occurred between the accounting date and the date of approval of the financial statements that would require disclosure or adjustment to the carrying amounts.

Zambia Tourism Agency

For the year ended 31 December 2022

Detailed operating statement *Schedule 1*
for the year ended 31 December 2022

	2022	2021
	K	K
Income		
Government grants - operations	16,855,356	8,118,588
Government grants - marketing	6,688,767	3,330,000
Grading fee	162,096	-
AIA	5,467,716	-
Government grants - regulation & grading	4,357,593	5,557,620
Authorisation fee	1,220,961	-
	<u>34,752,489</u>	<u>17,006,208</u>
Finance income and costs		
Interest received	269,578	165,762
Exchange gain/(loss)	2,906	-
	<u>272,484</u>	<u>165,762</u>
Other income		
Profit on disposal of fixed assets	57,000	-
Lease rentals	540,000	465,000
Other income	969,266	579,656
	<u>1,566,266</u>	<u>1,044,656</u>
Less:		
Administration expenses		
Bank charges	105,985	61,239
Board expenses	525,295	786,058
Computer expenses	9,000	49,505
Office expenses	4,518,584	743,444
Office rent	1,249,691	487,367
Postage, fax, and telephone	74,512	182,248
Repairs and maintenance	12,667	33,850
Others expenses	261,726	68,580
Travelling expenses	34,991	-
Printing and stationary	267,181	317,958
Internet	210,292	-
Newspaper	21,080	-
Others	65,700	-

Zambia Tourism Agency

For the year ended 31 December 2022

Detailed operating statement *Schedule 1 (continued)*
for the year ended 31 December 2022

	2022	2021
	K	K
Trade subscription	52,580	-
Exchange loss on USD revaluation	24,636	-
Insurance other	137,499	-
Recruitment expenses	37,577	-
Training	50,500	-
	<u>7,659,496</u>	<u>2,730,249</u>
Motor vehicle expenses		
Fuel and lubricants	123,500	206,093
Insurance and licenses	28,538	100,093
Repairs and maintenance	491,354	427,387
	<u>643,392</u>	<u>733,573</u>
Professional charges		
Audit fees - external	88,447	69,405
Legal and professional fees	121,758	-
Others	63,633	667,962
	<u>273,838</u>	<u>737,367</u>
Marketing expenses		
		-
Fairs and congress	2,921,132	433,984
Press, trade and agents	-	-
Lusaka airport expenses	-	86,531
Promotional expenses	-	300,496
Trade subscription	-	94,959
Local marketing	11,203	1,341,989
Public relations	-	505,633
Social media and website	576,364	139,135
Advertising and publicity	866,767	-
Internet	104,889	-
Familiarisation tours	1,057,032	-
Promotion expenses-local	5,154,336	-
Promotional expenses international	1,015,657	-
Local road shows	90,000	-
	<u>11,797,380</u>	<u>2,902,727</u>

Zambia Tourism Agency

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Detailed operating statement *Schedule 1 (continued)*
for the year ended 31 December 2022

	2022	2021
	K	K
Licensing and standards		
Inspections	2,433,128	2,522,865
Authorisation and licencing expenses	84,012	-
Grading	209,360	130,269
	<u>2,726,500</u>	<u>2,653,134</u>
Total other operating expenditure	<u>23,100,606</u>	<u>9,757,050</u>
Staff costs		
Gratuity	819,299	486,402
Insurance - group life and GPA	9,800	-
Leave pay	218,279	365,990
Medical expenses	148,879	366,089
NAPSA employer's contribution	262,339	251,059
Pension employer's contribution	217,154	167,950
Salaries and allowances	7,881,208	6,359,772
Staff welfare	191,971	81,329
NHIMA employer's contribution	42,484	51,933
Terminal benefits	111,392	-
Training - local	-	-
	<u>9,902,805</u>	<u>8,130,524</u>
Depreciation	<u>744,536</u>	<u>344,255</u>
Total expenses	<u>33,747,947</u>	<u>18,231,829</u>
Fair value adjustment on investment property	<u>280,000</u>	<u>-</u>
	<u>280,000</u>	<u>-</u>
Surplus/(Deficit) for the year	<u>3,123,292</u>	<u>(15,203)</u>

