



ANNUAL REPORT

2023

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. Dan 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 Board, National Heritage Conservation Commission, Department of National Parks and Wildlife, 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



As the Chairperson of the Board of Zambia Tourism Agency (ZTA), it is my great privilege to present our Annual Report for 2023. This report not only captures the transformative achievements of our Agency over the past year but also reflects our relentless passion for promoting Zambia as a premier tourist destination.

The year 2023 has been nothing short of remarkable for Zambia's tourism landscape. We witnessed an impressive surge in international tourist arrivals, showcasing Zambia's allure as a must-visit destination. This resurgence is the result of strategic marketing campaigns that have positioned our unique natural wonders and rich cultural heritage at the forefront of global travel conversations. Our collaborations with international tour operators have truly put

Zambia on the map, inviting the world to discover the magic of our landscapes and the warmth of our people.

In addition to this growth, we are proud to report that tourism's contribution to Zambia's GDP has risen, underscoring the sector's critical role in diversifying our economy. While we faced challenges, particularly in investment within the hospitality sector due to global economic uncertainties, our commitment to excellence has never wavered. We are thrilled to see a revitalization in our hospitality industry, reflected in the rising hotel occupancy rates and the renewed interest in business travel.

Moreover, ZTA has made tremendous strides in invigorating domestic tourism, achieving an extraordinary increase in local visits. Our

engaging campaigns, including the vibrant Take a Holiday Yamu Loko Campaign; have inspired Zambians to explore their own breathtaking heritage and local attractions, revealing the beauty that lies in our own backyards.

The growing enthusiasm for our major national parks, museums, and waterfalls illustrates the captivating charm of Zambia's natural beauty and cultural richness. These achievements reflect our unwavering dedication to enhancing visitor experiences and promoting our diverse offerings to a global audience.

As we navigate the complexities of the ever-changing global landscape, ZTA remains fiercely committed to driving sustainable growth within the tourism sector. We will continue to innovate, adapt, and push boundaries to attract both international and domestic visitors, ensuring Zambia shines as a premier destination on the world stage.

I extend my deepest gratitude to the passionate and dedicated ZTA team, whose relentless efforts have brought our vision of promoting Zambia to life. Their commitment and creativity have been the driving forces behind this year's outstanding successes. I also sincerely thank the Board of Directors and the Ministry of Tourism for their invaluable support, leadership, and provision of resources—especially the increased marketing budget—which have played a key role in propelling our initiatives forward.

A special thanks goes to our stakeholders in the tourism industry, particularly the private sector, for their enthusiastic response to our marketing efforts and for collaborating effectively with ZTA to make Zambia a top destination for domestic, regional, and international tourists.

The growing enthusiasm for our major national parks, museums, and waterfalls illustrates the captivating charm of Zambia's natural beauty and cultural richness. These achievements reflect our unwavering dedication to enhancing visitor experiences and promoting our diverse offerings to a global audience.

I invite you to explore the insights in this report, which not only highlight our achievements but also pave the way for an exciting future ahead.

Daan Brink

Tourism Industry Dashboard in 2023

No.	Criteria	2022	2023	Change	
1	GDP Growth - Zambia	5.2%	5.8%	12%	↗
2	GDP Growth -Global	3.2%	2.7%	-14%	↘
3	Annual Inflation	10.99%	10.95%	-0.4%	↘
4	Exchange Rate ZMW/USD	16.9	20.2	19%	↗
5	International Tourist Arrivals	1,060,000	1,376,000	30%	↗
6	Tourism Contribution to GDP	1.9%	2.9%	53%	↗
7	Tourism Receipts in USD Billions	0.8	0.5	-38%	↘
8	Room Occupancy Rates	45%	51%	13%	↗
9	Visits to National Parks	75,159	81,424	8%	↗
10	Visits to Waterfalls	174,796	252,028	44%	↗
11	Visits to Museums	86,671	109,090	26%	↗

Statement by the Chief Executive Officer



This report not only encapsulates our achievements over the past year but also outlines the strategic initiatives that have propelled Zambia's tourism sector towards new heights.

The year 2023 has been a year of significant milestones, demonstrating resilience and adaptability in the face of ongoing challenges. The global tourism landscape continues to evolve, and Zambia is well-positioned to capitalize on emerging opportunities.

Zambia witnessed a remarkable 29.8% increase in international tourist arrivals, totaling 1,376,000 in 2023, compared to 1,060,000 in 2022. This surge is a testament to our strategic marketing initiatives, strengthened partnerships with international

tour operators, and the easing of global travel restrictions. We have successfully showcased Zambia's unique natural attractions, reaffirming our commitment to promoting the country as a premier travel destination.

Zambia's tourism sector has also demonstrated its critical role in economic diversification, with its contribution to GDP rising to 2.90% in 2023, up from 1.9% in the previous year. This growth reflects our concerted efforts in both international marketing and domestic tourism campaigns, particularly in the Meetings, Incentives, Conferences, and Exhibitions (MICE) segment, which has significantly attracted high-value business travelers.

The total tourism receipts decreased to USD

0.5 billion in 2023, down 37.5% from USD 0.8 billion in 2022, primarily due to a decrease in average spending per tourist driven by currency depreciation and rising inflation. This highlights the need for us to diversify our tourism offerings and implement strategies that encourage increased spending among visitors.

On a positive note, our hospitality sector experienced growth, with hotel occupancy rates rising to 51% from 44.5% in 2022. Additionally, ZTA achieved a remarkable 59% increase in domestic tourism visits, totaling 417,122 in 2023. This surge is attributed to successful campaigns that have promoted national heritage sites and local attractions.

Visitor numbers to major national parks increased by 8%, reaching 81,424 in 2023, while museum attendance surged by 26%, totaling 109,090 visitors. Furthermore, we observed a notable recovery in tourist visits to Zambia's waterfalls, a clear indication of the effectiveness of our marketing strategies and the intrinsic appeal of our natural attractions.

While challenges persist, the achievements outlined in this report reflect the hard work, dedication, and strategic vision of our team at ZTA. We remain committed to fostering sustainable growth in the tourism sector, enhancing visitor experiences, and positioning Zambia as a leader in global tourism. Together, we can ensure that Zambia continues to shine as a remarkable travel destination for both domestic and international tourists.

Thank you for your continued support and partnership as we embark on this journey towards excellence in tourism.

Matongo Matamwandi

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. ZTA 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 Board. 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.

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.

Chief Marketing Officer (CMO)

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

Chief Standards Officer (CSO)

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

Chief Financial Officer (CFO)

Responsible for ZTA's financial controls and ensuring accounting standards are maintained in reporting. The CFO 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.

Head – Policy, Planning and Information

Reports to the CEO and is responsible for planning, research, monitoring and evaluation; interpretation of government policy and management of information technology

Head – Tourism Promotion

Reports to the Chief Marketing Officer and is responsible for day to day operations of tourism promotion activities, including travel shows, familiarization trips and MICE activities.

Head – Finance

Reports to the CFO, managing day-to-day financial operations, including budgeting, accounting, and cash flow management to ensure financial stability.

Head – Internal Audit

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.

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 Nyondo

As a chartered marketer, consultant, lecturer, and researcher, Dr. Lucy Nyondo's expertise spans over a decade, with a solid foundation in marketing and academia. Representing the Zambia Institute of Marketing (ZIM), Dr. Nyondo'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



Dr Andrew K. Chilufya

A renowned geographer and educationist with over 30 years of experience in research, specializing in tourism, wildlife, and environmental management across Southern Africa. Currently serving as a Director in the Ministry of Tourism, Dr. Chilufya's extensive background in Research and Development enhances his capacity to foster sustainable tourism initiatives, underscoring his pivotal role on ZTA's Board..



Kiera Langford Johnson

A communications expert and business executive with two decades of experience in the travel and aviation industries, Kiera 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.

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.

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

The Zambia Tourism Agency (ZTA) is pleased to present its Annual Report for 2023, highlighting significant performance milestones and insights into the agency's initiatives in the tourism sector. The year marked a pivotal moment for Zambia's tourism, showcasing substantial growth across key areas, despite encountering some challenges.

1. International Tourist Arrivals - In 2023, Zambia saw an encouraging 1,376,000 international tourist arrivals, marking a 29.8% increase from the 1,060,000 arrivals in 2022. This strong recovery is attributed to the easing of global travel restrictions, strategic marketing campaigns, and partnerships with international tour operators to promote Zambia's unique natural attractions.

2. Tourism Contribution to GDP - In 2023, tourism's contribution to Zambia's GDP rose to 2.90%, up from 1.9% in 2022, reflecting the sector's increasing role in economic diversification. This growth was bolstered by a steady rise in international arrivals and effective domestic tourism campaigns, particularly in Meetings, Incentives, Conferences, and Exhibitions (MICE) tourism.

3. Investment in Tourism - Conversely, investment in the tourism sector saw a significant decline, falling to USD 46.2 million in 2023 from USD 99.5 million in 2022, a 53.6% decrease. This downturn is attributed to global economic uncertainty and investor caution, particularly within the hotel and lodge construction sectors.

4. Tourism Receipts - Tourism receipts

decreased to USD 0.5 billion in 2023, down 37.5% from USD 0.8 billion in 2022. This decline was driven by reduced average spending per tourist, influenced by currency depreciation and high inflation rates.

5. Room Occupancy Rates - Positive developments were observed in the hospitality sector, with hotel occupancy rates increasing to 51% in 2023 from 44.5% in 2022, driven by higher tourist arrivals and a resurgence in business travel.

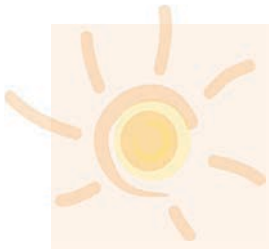
6. Domestic Tourism Performance - ZTA achieved a remarkable 59% increase in domestic visits, totaling 417,122 in 2023 compared to 262,642 in 2022. This growth was fueled by targeted campaigns promoting national heritage sites and local attractions, particularly the Take a Holiday Yamu Loko Campaign.

7. Tourist Visits to Major National Parks - Visitor numbers to major national parks reached 81,424 in 2023, an 8% increase from 75,159 in 2022, reflecting the growing appeal of Zambia's natural attractions.

8. Tourist Visits to Museums - Museum attendance surged to 109,090 visitors in 2023, a 26% increase from 86,671 in 2022, driven by effective tourism promotion and enhanced visitor experiences.

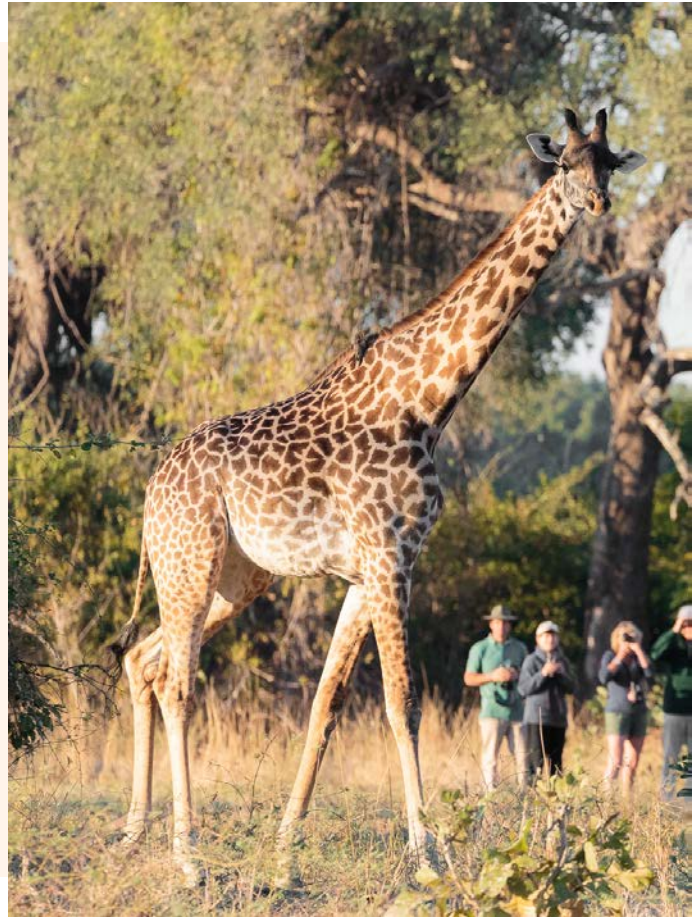
9. Tourist Visits to Waterfalls - Data indicate notable recovery and growth in tourist arrivals at Zambia's waterfalls, highlighting the success of marketing initiatives and the ongoing allure of Zambia's natural attractions.





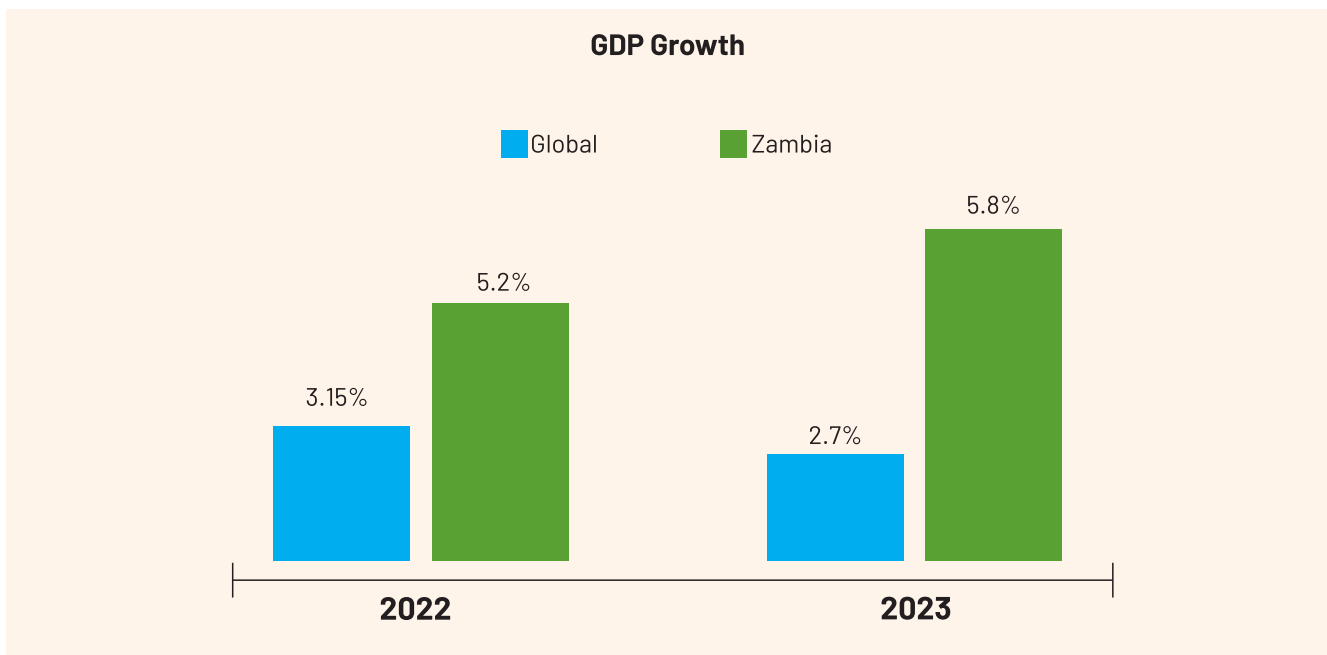
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Economic Performance

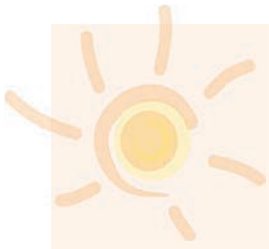


Global GDP growth in 2023 registered at 2.7%, showing a decline from 3.15% in 2022. This dip in global growth reflects persistent global challenges such as geopolitical tensions, inflation, and supply chain disruptions. Despite this, Zambia's GDP growth for 2023 demonstrated resilience, rising to 5.8%, up from 5.2% in 2022. This robust growth is attributed to

favorable agricultural output, improved copper prices, and sustained infrastructure development, which helped to cushion the country from external shocks.



Source: **World Bank**

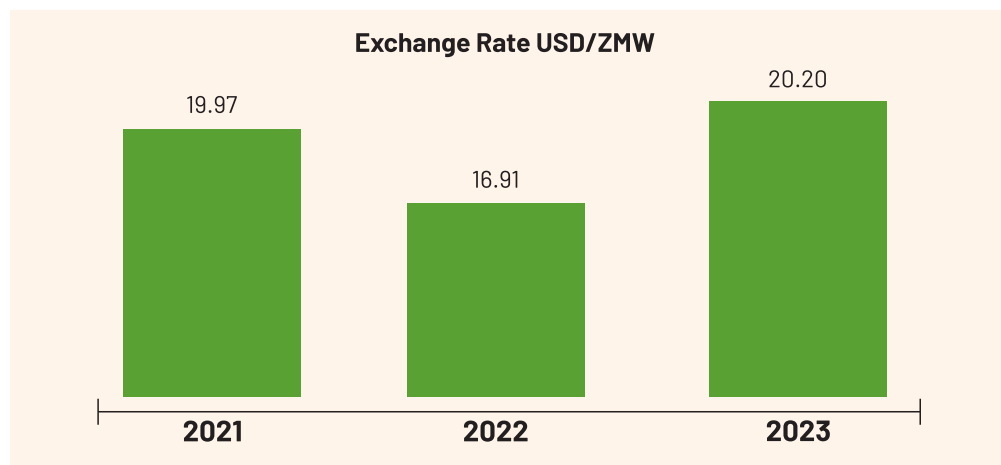
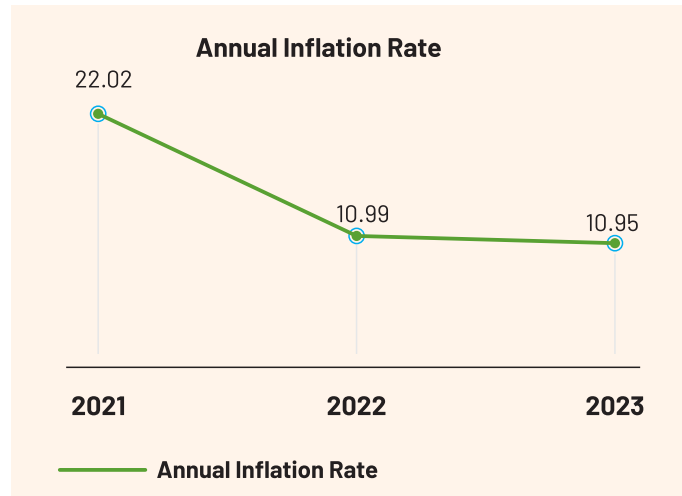


02

Inflation and Exchange Rate Trends



Zambia's inflation rate remained relatively stable in 2023 at 10.95%, a slight decrease from 10.99% in 2022. The inflation rate was kept in check by prudent monetary policies and improved food production, which helped to moderate price increases. Meanwhile, the ZMW/USD exchange rate averaged 20.2 in 2023, a depreciation from 16.91 in 2022, indicating local currency depreciation. The decline in Zambia's currency value, driven by global market factors and fluctuations in copper prices, posed challenges for the tourism sector by increasing the cost of imported goods and services, but it also made Zambia a more affordable destination for foreign tourists.



Source: Bank of Zambia



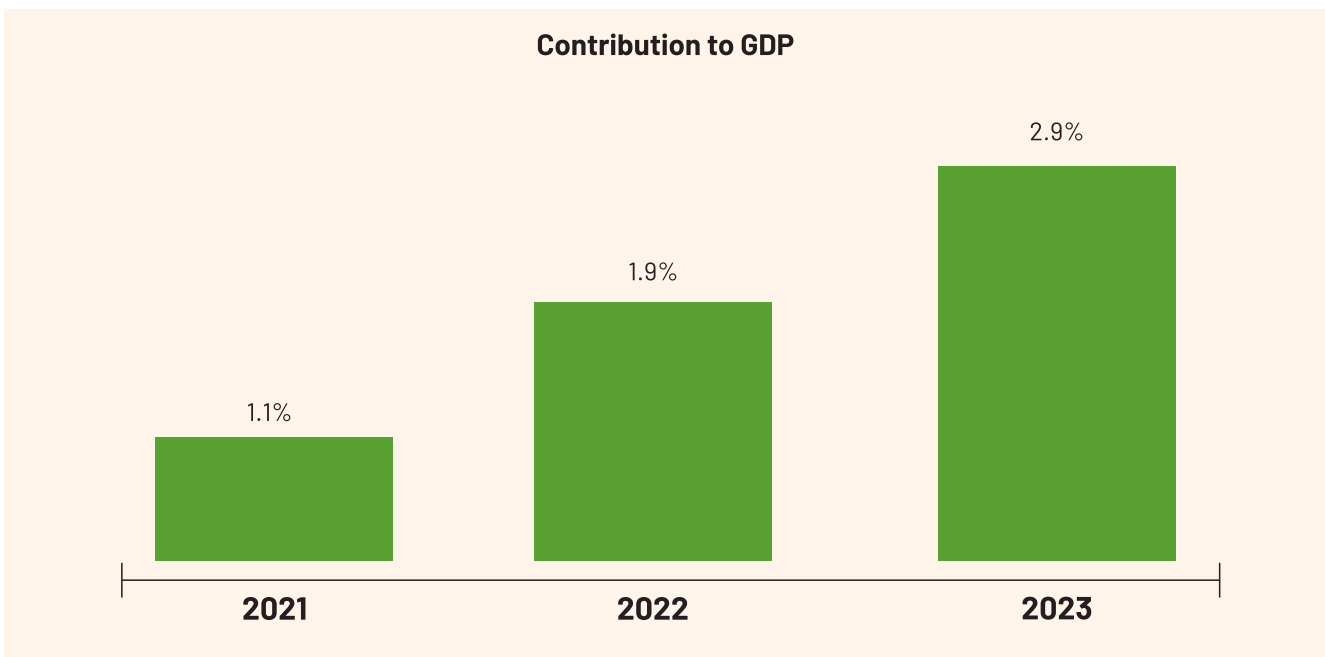
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Tourism Contribution to GDP



Tourism's contribution to Zambia's GDP rose to 2.90% in 2023, up from 1.9% in 2022. This increase reflects the sector's growing importance as a driver of economic diversification. The steady rise in international tourist arrivals, coupled with domestic tourism initiatives, contributed to this growth. ZTA's efforts to promote Meetings, Incentives, Conferences, and

Exhibitions (MICE) tourism played a key role in boosting revenue from high-value business travelers.



Source: **Ministry of Tourism**



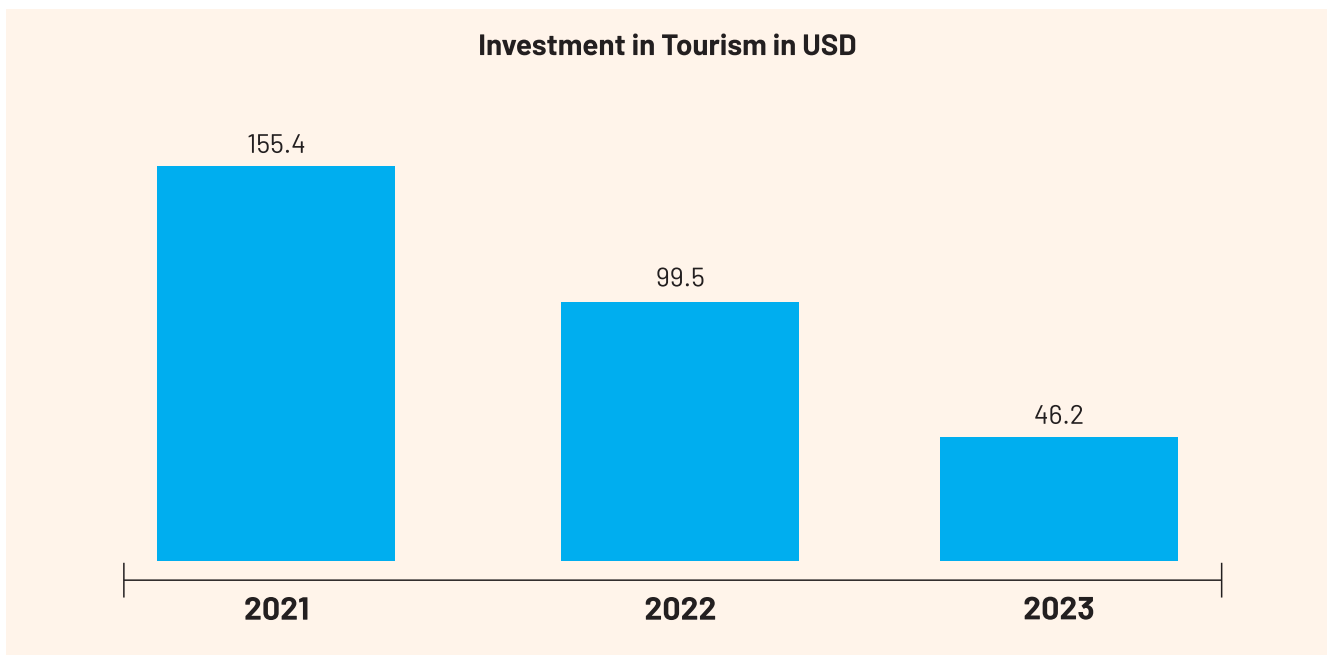
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Investment in Tourism



Despite the overall positive trend in tourism activity, investment in the sector declined significantly to USD **46.2 million** in 2023, compared to USD **99.5 million** in 2022. This 53.6% decrease is attributed to global economic uncertainty and investor caution, particularly in the hotel and lodge construction sectors. The reduction in investment highlights the need

for Zambia to enhance its investment incentives to attract both local and international investors.



Source: **Zambia Development Agency**



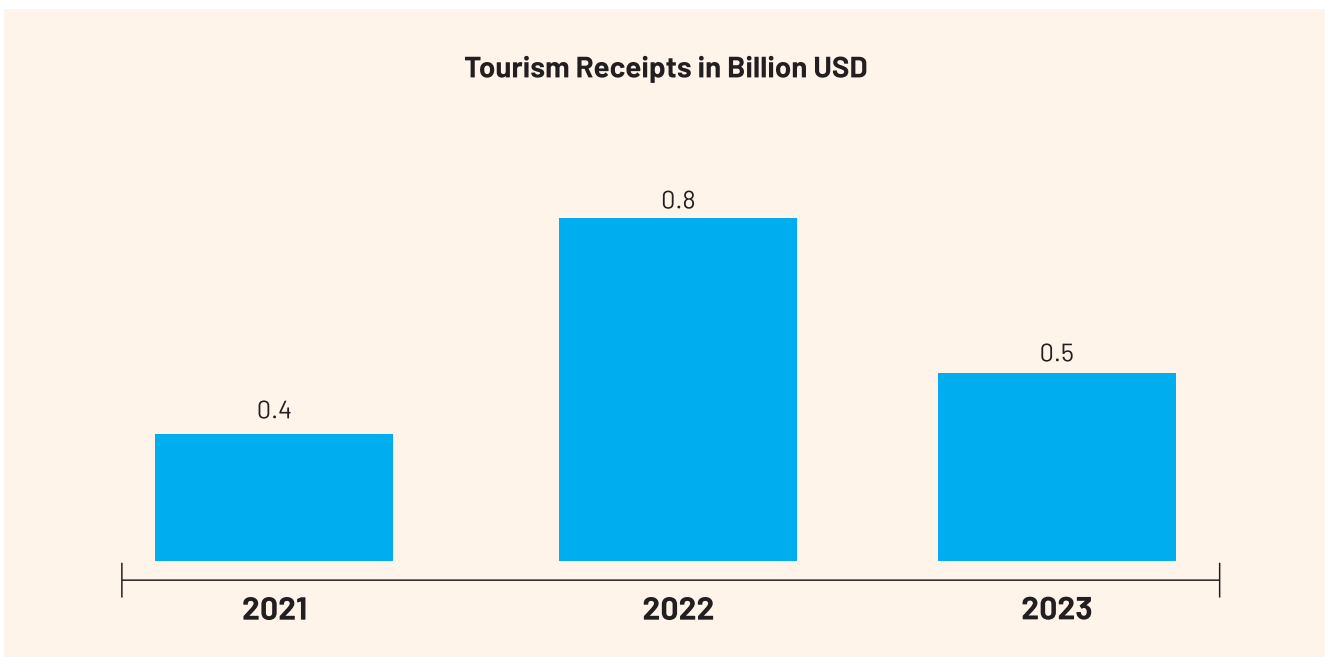
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Tourism Receipts

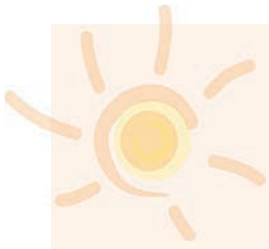


Tourism receipts in 2023 amounted to **USD 0.5 billion**, down from **USD 0.8 billion** in 2022. This 37.5% decline is primarily due to a reduction in average spending per tourist, which was influenced by the depreciation of the local currency and the high inflation rate, leading to tighter budgets for tourists. The decrease in receipts also underscores the need for

Zambia to diversify its tourism offerings and increase value-added services to encourage higher spending.

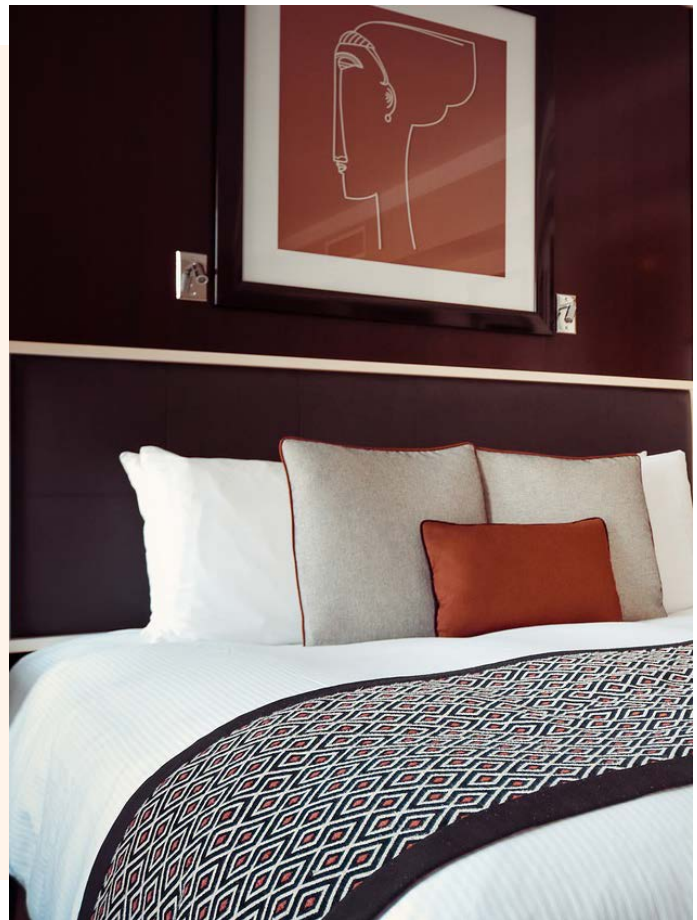


Source: **Ministry of Tourism**

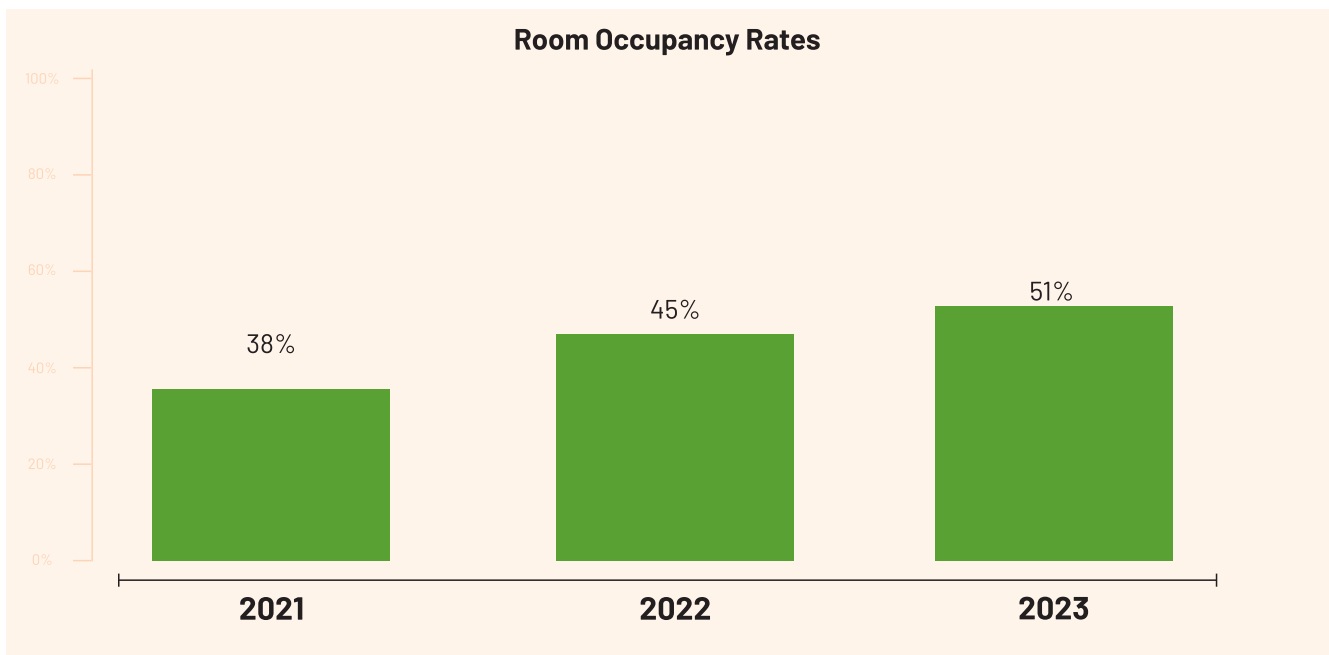


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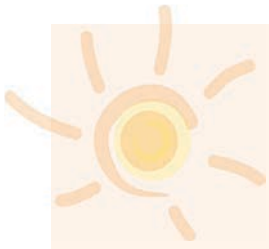
Room Occupancy Rates



Hotel occupancy rates showed a marked improvement in 2023. Room occupancy increased to **51%** from **44.5%** in 2022, while bed occupancy followed a similar upward trend. This improvement is primarily due to increased tourist arrivals and a recovery in business tourism, driven by an increase in conferences and corporate events.



Source: **Ministry of Tourism**



07

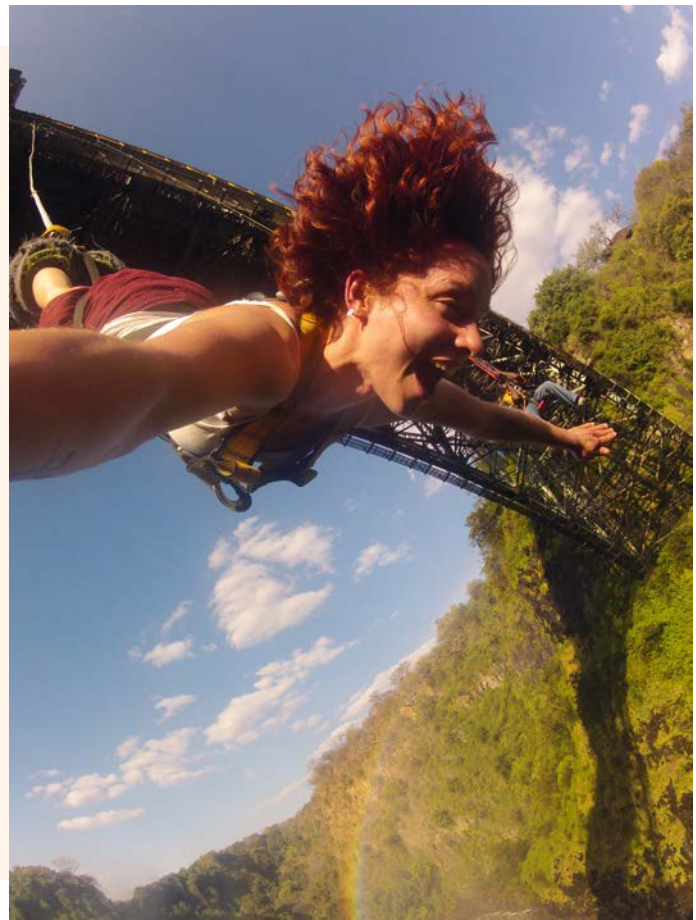
ZTA Performance Overview

In 2023, ZTA set ambitious goals to elevate Zambia as a leading tourism destination, with specific targets outlined in the marketing plan. The key objectives focused on increasing international arrivals, boosting domestic tourism, enhancing social media engagement, and expanding into non-traditional markets. Despite facing several challenges, including delays in funding and resource constraints, ZTA made significant strides in both domestic and international tourism promotion.

Marketing Performance

The 2023 ZTA Marketing Plan was structured around the following key objectives:

- A. International Arrivals** - Achieving 1.5 million international arrivals.
- B. Social Media Reach** - Generating 1 billion views across social media platforms.
- C. Domestic Tourism** - Increasing



domestic tourism activities by 20%.

- D. Length of Stay** - Extending the average stay from 3 to 4 days.
- E. Brand Awareness** - Achieving a 10% brand recall rate in key source markets.
- F. Non-Traditional Markets** - Expanding into China, India, Brazil, and the Gulf Cooperation Council (GCC) regions.

Strategies Implemented

The following strategies were crucial in driving tourism promotion:

- A. Engaging Digital Marketing Agencies to lead domestic tourism promotion.
- B. Appointing an International Destination Marketing Agency to boost global tourism awareness.
- C. Launching the Access Zambia Campaign to increase air traffic to Zambia.

- D. Introducing the Red-Carpet Campaign to differentiate Zambia from other regional destinations.
- E. Enhancing collaboration with key tourism stakeholders to foster industry synergies.
- F. Utilizing the increased tourism marketing budget for innovative campaigns and initiatives.

International Tourism Performance

In 2023, Zambia saw an encouraging 1,392,000 international tourist arrivals, marking a 29.8% increase from the 1,060,000 arrivals in 2022. This strong recovery is attributed to the easing of global travel restrictions, strategic marketing campaigns, and partnerships with international tour operators to promote Zambia's unique natural attractions, including Victoria Falls, national parks, and cultural heritage sites. The increase in tourist arrivals was further supported by greater participation in global travel fairs, such as the World Travel Market in London and ITB Berlin, which enhanced Zambia's visibility in key source markets. However, due to delays in appointing the International Destination Marketing Company, actual arrivals were 8% below target.



Source: Ministry of Tourism

Domestic Tourism Performance

ZTA achieved significant success in domestic tourism, surpassing the 2022 figures. In 2023, domestic visits totaled 417,122, a 59% increase from the 262,642 visits in 2022. This growth was driven by targeted campaigns promoting national heritage sites, national parks, and museums. The Take a Holiday Yamu Loko Campaign played a pivotal role in stimulating interest and encouraging Zambians to explore local attractions.

Digital Marketing Performance

ZTA set an ambitious target of 1 billion views on social media platforms in 2023. However, actual performance fell short, achieving only 0.67% of the target with 6.67 million views. Key factors affecting this outcome included limited tracking tools and the absence of a fully operational digital marketing team. The appointment of a specialized digital marketing agency is expected to rectify these shortcomings and enhance the agency's online presence in the coming year.

Licensing and Standards

In 2023, 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. Sensitizing the market on the grading system and grading a minimum of 50 establishments to enhance service quality and promote Zambia as a premier destination.

- C. 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.
- D. Achieving a revenue collection target of ZMW 4.4 million by enforcing standards and licensing regulations.

In 2023, ZTA managed to issue 592 enterprises licenses marking a 31% increase from 451 licences issued in 2022. ZTA also managed to issue 24 grading certificates marking a 50% increase from 16 certificates issued in 2022.

Major Achievements and Milestones of ZTA in 2023

ZTA has accomplished remarkable strides in elevating Zambia as a premier tourism destination. 2023 marked a year of bold initiatives, strategic partnerships, and prestigious recognitions, all converging to expand Zambia's global footprint and underscore its vibrant tourism offerings. Below, we highlight our most impactful achievements and milestones that shaped the past year and set the tone for a thriving tourism future.

Strategic Partnership with Emirates



In a monumental development, ZTA joined forces with Emirates Airlines through a Memorandum of Understanding (MoU) signed by

Matongo Matamwandi, CEO of ZTA, and Badr Abbas, Emirates' Senior Vice President

Commercial Operations for Africa, at the Arabian Travel Market in Dubai. This partnership leverages Emirates' extensive global network of over 140 destinations to make Zambia more accessible and attractive to travelers worldwide. The alliance with Emirates represents not just an expansion of reach but a step towards establishing Zambia as a preferred destination for diverse global travelers.

Platinum Triumph at the Africa Travel Indaba



The Africa Travel Indaba 2023 in Durban was a stage where Zambia shone brightly, scooping the coveted Platinum Large

Award in the Green Stand Exhibitors' category. Our stand, beautifully adorned in Zambian colors, won hearts and accolades alike, embodying the essence of Zambia's captivating landscapes, wildlife, and culture. By winning the Best International Stand title, Zambia reinforced its image as a destination that captures imagination and stirs wanderlust with visual storytelling.

Launch of the 2024 Marketing Plan



The Board of ZTA proudly launched the 2024 Marketing Plan this year, marking a forward-thinking approach to tourism

development. This comprehensive plan draws from insights and innovation to craft a strategic roadmap for marketing Zambia's unique experiences. The plan prioritizes

regional integration, digital engagement, and sustainable tourism to enhance Zambia's competitive positioning on the world stage. Through it, we will amplify Zambia's attractions, ensuring a seamless fusion of tradition, culture, and adventure that resonates with modern travelers.

Hosting of the **Zambian and Barcelona Legends**



Through our Ministry of Tourism, ZTA hosted the Zambian and Barcelona Legends teams in Livingstone, the adventure capital of Zambia. The Legends

were treated to an unforgettable weekend of exploration, including Microlight Flights over Victoria Falls, thrilling bungee jumping, and a scenic boat cruise. This immersive experience left an indelible impression on the Barcelona Legends, positioning Zambia as an exhilarating destination for Latin American audiences and broadening our market reach across new frontiers.

CEO Recognition: **Matongo Matamwandi** Named CEO of the Year



We are immensely proud of our CEO, Matongo Matamwandi, who was honored with the prestigious CEO of the Year award at the Zambia Man Awards 2023. This accolade

reflects his visionary leadership, dedication, and unwavering commitment to the mission of ZTA. His efforts have been instrumental in driving ZTA's successes, reinforcing Zambia's image as a destination of choice for international tourists.

Inaugural **Tourism Excellence Awards: Celebrating Industry Leaders**



In November 2023, ZTA successfully organized the first-ever Tourism Excellence

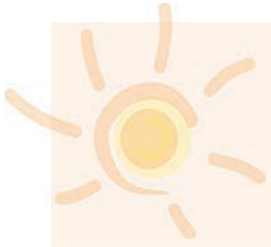
Awards at Ciela

Resort, setting a new benchmark for excellence and professionalism within the Zambian tourism sector. This celebration brought together leaders and innovators across the industry to recognize outstanding achievements and commitment to quality service. The awards served as a powerful reminder of the sector's potential and the continuous innovation that will propel Zambia's tourism industry forward.

Looking Forward

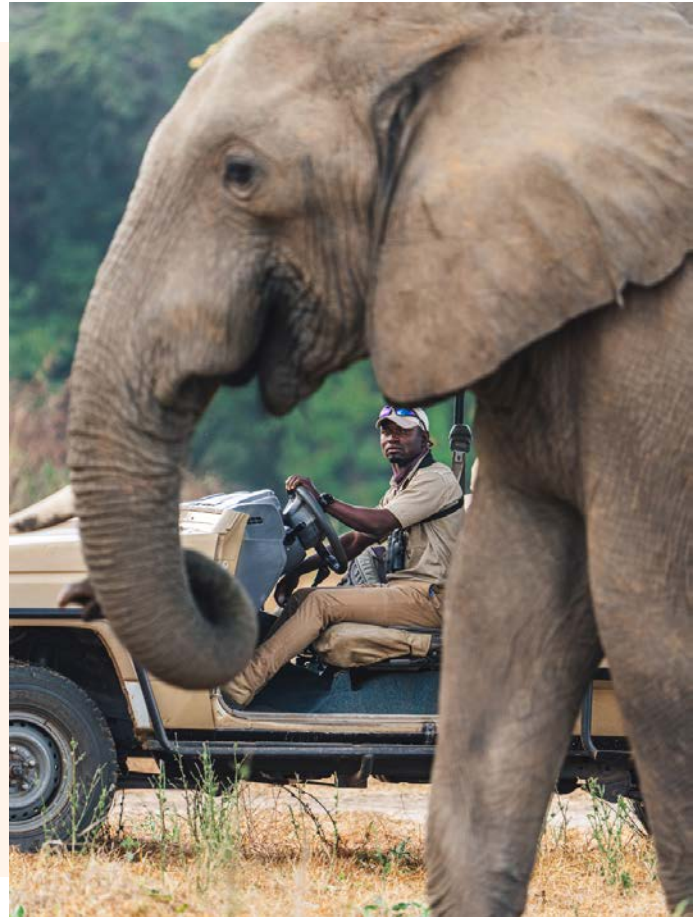
Each of these milestones reflects our commitment to Zambia's tourism sector and our vision of a dynamic, globally recognized Zambia. By harnessing strategic partnerships, launching targeted marketing initiatives, and honoring excellence within the sector, we are creating a legacy that will resonate for years to come. ZTA continues to set ambitious goals, believing in the boundless potential of Zambia's landscapes, people, and culture. With every achievement, we bring the world one step closer to experiencing the treasures of Zambia.





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Key Marketing Activities



International Marketing

In 2023, ZTA actively participated in major international tourism events to promote Zambia as a premier destination. Key activities included:

- A. Sanganai Tourism Expo (Zimbabwe)
- B. World Travel Market (WTM) London (UK)
- C. International Travel Fairs in France, Japan, and the USA
- D. ITB Berlin, Germany
- E. FTM Top RESA Fair
- F. Fitur Travel Fair
- G. Arabic Travel Market, Dubai, UAE
- H. Association for Promotion of Tourism to Africa (APTA)
- I. Familiarization Tour (Egypt)

- J. FIFA Women's World Cup (Australia and New Zealand)

These initiatives aimed to strengthen Zambia's visibility and attract visitors from established and emerging markets.

Domestic Marketing

Several domestic campaigns were rolled out during the year to increase awareness and participation in local tourism. These included:

- A. Diplomatic Funfair** - Engaging the diplomatic community in Zambia.
- B. Take a Holiday Yamu Loko Campaign** - Encouraging domestic travel and exploration.
- C. Information Centres** - Providing tourists with relevant information at key locations.

- D. **Nc'wala Traditional Ceremony** – ZTA provided marketing support for the traditional ceremony of the Ngoni people of Eastern Province, Zambia
- E. **MICE Calendar** – ZTA Produced the first ever MICE calendar in February and published it the print media
- F. **Ukusefya Pang'wena Traditional Ceremony** – ZTA provided marketing support for the traditional ceremony of the Bemba people of Northern Province, Zambia
- G. **World Tourism Week**
- H. **African Food Festival**
- I. **Agriculture and Commercial Show**
- J. **Pamodzi Carnival and Cultural Festival**
- K. **Let's Explore** – ZTA continued with the production and airing of the 'Let's Explore'tourism TV program on ZNBC Tv1
- D. MICE Strategy Workshop facilitated by CBI
- E. World-Skills Zambia 2025 (ZTA and TEVETA facilitated the bidding)
- F. African Continental Free Trade Area (AfCFTA) Youth Symposium (ZTA branding at the event).
- G. Zambia Sports Expo (ZTA was a co-sponsor)
- H. African Union Sports Council (AUSC) Region 5 (ZTA branded at the event)

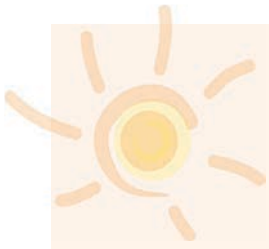
Digital Marketing

Several campaign aimed at marketing and promoting destination Zambia were run on all of ZTA social media platform which include Facebook, Instagram and LinkedIn

MICE (Meetings, Incentives, Conferences, and Exhibitions) Marketing.

Zambia's reputation as a MICE destination was bolstered by hosting prominent events in the year under review, including:

- A. Substance and Drug Summit
- B. Zambia International Mining and Energy Conference (ZIMEC)
- C. International Conference on Public Health in Africa (CPHIA)



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Tourism Arrivals



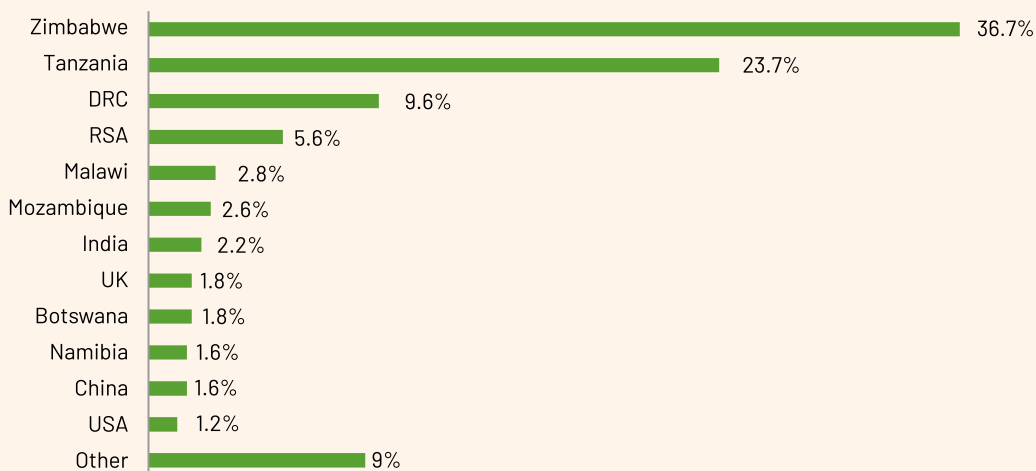
Arrivals by Source Markets

The data on international tourist arrivals by source further highlights the continued dominance of regional markets. In 2023, over three-quarters 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.

In contrast, overseas markets such as the Americas, Europe, East Asia, and the Pacific remained subdued, with only marginal recovery observed in 2023. The share of visitors from the Americas increased slightly from in 2023

Top Source Markets for Tourists in 2023



Source: UNWTO

Arrivals by Transport Mode

Tourists entering Zambia in 2023 predominantly traveled by land, with 79% (1,101,243 tourists) arriving via road, while 21% (290,910 tourists) chose air travel as their preferred mode of entry.

Air travel remains a significant contributor to the flow of international tourists, accounting for 21% of total arrivals in 2023. Zambia's four major international airports—Kenneth Kaunda International Airport (Lusaka), Harry Mwanga Nkumbula International Airport (Livingstone), Simon Mwansa Kapwepwe International Airport (Ndola), and Mfuwe International Airport—served as the principal gateways for air travelers.

Despite the lower percentage of arrivals by air, this segment is vital for high-value tourists, especially those visiting for leisure, conferences, and safaris. ZTA continues to prioritize air connectivity in its international marketing campaigns, positioning Zambia as an accessible destination for long-haul travelers.

Land travel, comprising 79% of the total tourist arrivals, remains the dominant mode of transport for visitors entering Zambia. The extensive network of border crossings with neighboring countries facilitates regional tourism, making Zambia an attractive destination for tourists from within Africa.

The high proportion of land-based tourists can be attributed to Zambia's strategic location in Southern Africa and its proximity to major regional tourist destinations such as Victoria Falls, Kafue National Park, and the Lower Zambezi. In addition, Zambia's membership in regional organizations such as the Southern African Development Community (SADC) has facilitated easier cross-border movement through

agreements such as the KAZA UniVisa, which allows tourists to visit both Zambia and Zimbabwe on a single visa.

ZTA's collaboration with immigration authorities and border management teams has ensured a seamless travel experience at these key points of entry, enhancing Zambia's reputation as a tourist-friendly destination.

Arrivals by Port of Entry

Zambia saw a notable increase in tourism activity in 2023, marking continued recovery post-pandemic. Tourist arrivals across all major ports of entry have demonstrated encouraging growth compared to 2022.

Air Arrivals

Air travel remains a key gateway for international visitors to Zambia, with total air arrivals in 2023 reaching 290,910, a 30.7% increase compared to 222,612 arrivals in 2022. The growth can be attributed to:

- Increased flight frequency from key markets.
- Expanded international carrier partnerships.
- ZTA's promotional efforts in Europe and North America, enhancing Zambia's visibility as a safari and cultural destination.

1. Kenneth Kaunda International Airport (KKIA) maintained its position as the primary gateway for air travelers, recording 228,625 arrivals in 2023, up 32.3% from 172,722 in 2022.
2. Simon Mwansa Kapwepwe International Airport (SMKIA) also saw significant growth, with 29,845 arrivals, representing a 31.2% increase from

22,753 in 2022. This upward trend reflects improved regional connectivity, especially from neighboring African countries, as well as heightened business travel associated with the mining and energy sectors.

3. Harry Mwanga Nkumbula International Airport (HMNIA) in Livingstone recorded a rise in tourist arrivals, reaching 32,116, up 19.4% from 26,905 in 2022. This increase is largely driven by enhanced marketing of Livingstone as the gateway to the Victoria Falls, bolstered by Zambia's focus on adventure tourism and regional tourism partnerships.
4. Mfuwe International Airport, although a smaller player, saw a continued recovery, with 324 tourist arrivals compared to 232 in 2022, reflecting renewed interest in the South Luangwa National Park as a premier wildlife destination.

Land Arrivals

Land entries accounted for the largest proportion of tourist arrivals, with 1,101,243 visitors entering through various border posts in 2023, a 31.4% increase from 838,176 in 2022. The growth in land arrivals is attributed to multiple factors:

- Enhanced infrastructure at key border points.
- Easier cross-border mobility due to simplified visa procedures.
- ZTA's efforts to promote regional travel through collaboration with neighboring countries, especially for short-term leisure and business trips.

1. Chirundu remained a significant land

entry point, with 259,904 arrivals in 2023, up 25.2% from 207,593 in 2022. The strategic location on the Zambezi River, connecting Zambia to Zimbabwe, has facilitated a strong flow of regional tourists, particularly those visiting Victoria Falls.

2. Kazungula recorded a dramatic 47.4% increase in tourist arrivals, with numbers reaching 106,512 in 2023, up from 72,266 in 2022. This growth is largely attributed to the commissioning of the Kazungula Bridge, improving accessibility for tourists traveling between Botswana and Zambia.
3. Nakonde, the border post with Tanzania, saw a steady increase of 17.2%, with 277,231 arrivals in 2023. This can be credited to strong economic ties and trade activities between Zambia and Tanzania, which also promote leisure tourism alongside business trips.
4. Victoria Falls Border experienced one of the most significant recoveries, with 167,809 arrivals in 2023, a staggering 80.8% increase from 92,826 in 2022. This rebound is driven by the return of international tourists, mainly from Europe and the United States, following eased travel restrictions and an aggressive marketing campaign focused on the "7th Wonder of the World."
5. Kasumbalesa recorded 95,593 arrivals in 2023, marking a 10.8% increase over the 86,294 in 2022. As an important trade route between Zambia and the Democratic Republic of Congo, Kasumbalesa has benefited from

improved border security and infrastructure upgrades.

ZTA remains committed to further enhancing Zambia's profile as a premier destination for international travelers, continuing to build on the successes of 2023.

Factors Behind Growth

The growth in tourist arrivals in 2023 can be attributed to several key factors:

- ZTA's marketing efforts - ZTA expanded presence in international markets, through digital platforms and strategic partnerships with tour operators, has increased Zambia's appeal as a safari and adventure tourism destination.
- Infrastructure improvements - Upgrades at ports of entry, especially the Kazungula Bridge and expanded airport facilities at KKIA, have significantly enhanced accessibility.
- Post-pandemic travel recovery - With global travel restrictions eased, Zambia has benefitted from pent-up demand for international travel, particularly among tourists seeking nature-based and less crowded destinations.
- Regional tourism collaboration - Zambia's participation in regional tourism initiatives, including the Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA) and Southern African Development Community (SADC) tourism efforts, has promoted cross-border travel.

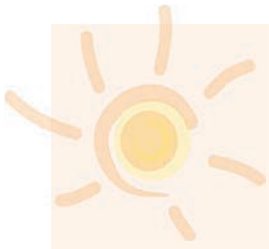
Declines and Challenges

While most entry points saw growth, some ports experienced declines or slower-than-expected recovery:

- Feira Luangwa recorded a slight decline in tourist arrivals, from 980 in 2022 to 604 in 2023.
- Jimbe saw marginal growth, with arrivals at 1,649,

Entry by Air	2022	2023
KK International Airport	172,722	228,625
SMK International Airport	22,753	29,845
HMN International Airport	26,905	32,116
Mfuwe International Airport	232	324
Subtotal - Air	222,612	290,910
Entry by Land	2022	2023
Chanida	14,662	16,227
Chirundu	207,593	259,904
Feira Luangwa	980	604
Jimbe	1,595	1,649
Kariba	11,117	21,705
Kasumbalesa	86,294	95,593
Katimamulilo	24,485	23,420
Kazungula	72,266	106,512
Kipushe	12,020	12,175
Mokambo	23,531	25,120
Mpulungu	4,848	7,817
Mwami	28,253	48,934
Sakania	21,028	35,839
Nsumbu	128	704
Nakonde	236,550	277,231
Victoria Falls	92,826	167,809
Subtotal - Land	838,176	1,101,243
Total	1,060,788	1,392,153

Source: **Ministry of Tourism**



10

Domestic Tourism



Tourist Visits to National Parks

Tourist visits to Zambia's major national parks have experienced an overall increase in 2023, with a total of 81,424 visitors recorded, marking an 8% rise compared to 2022, which saw 75,159 visitors. Despite fluctuations in individual park statistics, this growth reflects the increasing appeal of Zambia's natural attractions, particularly among domestic tourists, driven by targeted campaigns promoting staycations and local tourism experiences.

- Mosi-o-Tunya National Park experienced a decrease of 8%, with visitor numbers falling from 14,743 in 2022 to 13,618 in 2023. This decline may be attributed to regional economic factors and competition from neighboring destinations, requiring renewed focus on enhancing the visitor experience and improving access to the park.
- Lower Zambezi National Park saw a more pronounced decline of 14%, dropping from 11,298 visitors in 2022 to 9,735 in 2023.

This decrease highlights the need for enhanced marketing efforts and investment in infrastructure to ensure that this iconic park remains a top choice for both local and international visitors.

- South Luangwa National Park stands out with a positive growth of 3%, increasing from 27,590 visitors in 2022 to 28,302 in 2023. This marginal increase can be credited to its global reputation for wildlife safaris and efforts to expand ecotourism ventures that appeal to a wider range of tourists.
- Kafue National Park recorded a 6% increase, with visitor numbers rising from 15,842 in 2022 to 16,722 in 2023. The steady growth in Kafue's visitor numbers reflects successful conservation efforts, as well as growing recognition of the park's rich biodiversity and vast landscapes.
- Lusaka National Park achieved a remarkable 129% increase in visitor numbers, from 5,686 in 2022 to 13,047 in

2023. This unprecedented growth can be attributed to its proximity to the capital city, Lusaka, making it an ideal destination for both domestic tourists and short-term international visitors. The increased accessibility and improved visitor facilities have contributed to this success, showcasing the potential of lesser-known parks in Zambia’s tourism portfolio.

Overall, the total number of visitors to these major national parks increased by 8%, highlighting the growing demand for nature-based tourism experiences in Zambia.

Domestic vs. International Tourists (2022 vs. 2023)

The breakdown of tourist visits by type—domestic versus international—reveals insightful trends. In 2023, domestic tourism saw a substantial growth of 15%, with 47,021 domestic tourists visiting Zambia’s national parks compared to 40,886 in 2022. This increase underscores the effectiveness of ZTA’s domestic tourism promotion campaigns, which have encouraged Zambians to explore their natural heritage.

International tourism, on the other hand, remained stable, with a slight increase of 0.4%. A total of 34,403 international tourists visited the parks in 2023, up from 34,273 in 2022. While this growth is modest, it signals the resilience of international tourism despite ongoing global economic challenges

and shifting travel trends.

This balanced growth between domestic and international visitors reflects ZTA’s commitment to a diversified tourism strategy, catering to both local and global markets. The focus on domestic tourism in 2023, supported by affordable packages and local partnerships, has helped mitigate the impact of global uncertainties on international travel.

For 2024, ZTA will prioritize the following:

- 1. Enhancing Visitor Experiences -** Improving facilities, services, and access in declining parks to attract more tourists.
- 2. Strengthening Domestic Campaigns -** Building on the success of domestic tourism promotion to maintain momentum.
- 3. Revitalizing International Marketing -** Exploring new strategies to increase international arrivals by targeting key source markets.

With these efforts, Zambia is poised to further grow its tourism sector, reinforcing its position as a premier destination for nature and wildlife experiences in Africa.

National Park	2022	2023	Change %
Mosi-o-Tunya	14,743	13,618	-8%
Lower Zambezi	11,298	9,735	-14%
South Luangwa	27,590	28,302	3%
Kafue	15,842	16,722	6%
Lusaka	5,686	13,047	129%
Total	75,159	81,424	8%

Source: Ministry of Tourism

Tourist Visits to Museums

In 2023, Zambia experienced a remarkable increase in tourist visits to museums, with a total of 109,090 visitors compared to 86,671 in 2022. This represents a significant rise of 26%. This increase in museum attendance reflects the successful execution of targeted tourism promotion strategies, enhanced infrastructure, and improved visitor experiences that have been implemented by the ZTA over the past year.

Year-on-Year Comparison of Tourist Visits to Museums

Examining the visitor numbers across various museum locations reveals interesting trends and insights into the growth of museum tourism in Zambia.

In Choma, the number of visitors surged from 2,131 in 2022 to 4,101 in 2023, marking an impressive increase of 92%. This dramatic rise can be attributed to effective local tourism initiatives aimed at showcasing Choma's cultural heritage. Increased promotional activities and community engagement have likely played a vital role in attracting both domestic and international tourists to this region.

The Copperbelt region experienced a similar trend, with visitor numbers growing from 2,458 in 2022 to 4,696 in 2023, an increase of 91%. This growth can be linked to the heightened awareness of the region's historical significance, along with improved marketing efforts that have highlighted the Copperbelt's rich industrial heritage and cultural attractions.

Livingstone, one of Zambia's most renowned tourist destinations, welcomed 36,894 visitors in 2022, which increased to 50,351 in 2023, reflecting a 36% rise. The increase in

visitor numbers can be attributed to the city's strong tourism infrastructure, including world-class museums and cultural centers, as well as its proximity to natural wonders like Victoria Falls. Marketing campaigns that promote Livingstone as a vibrant cultural hub have also contributed to this growth.

In Lusaka, visitor numbers grew from 41,072 in 2022 to 45,386 in 2023, representing an increase of 11%. Although the growth rate is lower than in other regions, it still indicates a positive trend in urban tourism. Efforts to enhance the cultural experiences in Lusaka, such as promoting local artists and hosting cultural events, have played a role in attracting more visitors to museums.

The Moto Moto Museum also saw a steady increase in visitor numbers, with attendance rising from 4,116 in 2022 to 4,556 in 2023, which translates to an 11% increase. The museum's commitment to preserving and showcasing Zambia's cultural heritage continues to resonate with both local and international audiences.

Museums Visitor Type Analysis

When evaluating the types of tourists visiting museums, a significant difference between domestic and international visitors is observed. In 2023, international tourist numbers rose dramatically, from 6,368 in 2022 to 11,727 in 2023, representing an 84% increase. This surge indicates a growing global interest in Zambia as a destination rich in cultural and historical significance. Factors contributing to this increase include improved international marketing strategies, participation in global tourism fairs, and positive reviews from previous visitors who have highlighted the unique experiences offered by Zambian museums.

Domestic tourism also experienced robust growth, with domestic visitor numbers rising from 80,303 in 2022 to 97,363 in 2023, representing a 21% increase. This trend reflects an increasing awareness and appreciation of Zambia's cultural heritage among local residents. The ZTA's campaigns aimed at promoting local tourism, including discounted rates for Zambians and initiatives highlighting the importance of supporting local attractions, have effectively encouraged more Zambians to visit their own museums.

Museums	2022	2023	Change %
Choma	2,131	4,101	92%
Copperbelt	2,458	4,696	91%
Livingstone	36,894	50,351	36%
Lusaka	41,072	45,386	11%
Moto Moto	4,116	4,556	11%
Total	86,671	109,090	26%

Source: Ministry of Tourism

Tourist Visits to Waterfalls

The overall trends from 2022 to 2023 demonstrate a notable recovery and growth in tourist arrivals to Zambia's waterfalls. The increase in both domestic and international visitors highlights the success of our marketing initiatives and the growing allure of Zambia's natural attractions. Continued investment in tourism promotion, infrastructure development, and visitor services will be essential in maintaining this upward trajectory in future years.

Domestic Tourists

In 2023, the total number of tourists visiting waterfalls in Zambia saw a remarkable increase, illustrating the effectiveness of our promotional efforts. For domestic tourists, the number grew from 155,686 in 2022 to 200,020 in 2023, reflecting a growth rate of

28.5%. This increase can be attributed to a surge in local tourism, as many Zambians sought recreational opportunities within their own country. The favorable perception of domestic travel, coupled with targeted marketing campaigns that highlighted the beauty and accessibility of Zambia's waterfalls, played a crucial role in this rise.

International Tourists

Similarly, international tourists also demonstrated a robust increase, rising from 34,201 in 2022 to 52,008 in 2023, which translates to a staggering growth rate of 52.0%. Factors contributing to this surge include the global easing of travel restrictions, increased interest in eco-tourism, and successful collaborations with international travel agencies that promoted Zambia as a must-visit destination. Furthermore, notable attractions like Victoria Falls continue to draw significant attention, further enhancing Zambia's appeal on the international stage.

Detailed Analysis of Waterfall Visits

Examining individual waterfalls reveals varied trends. For Nyambwezu Falls, domestic visitors rose from 104 in 2022 to 162 in 2023, indicating a growth of 55.8%. This substantial increase reflects growing local awareness and appreciation for lesser-known attractions as part of a broader trend toward exploring hidden gems within the country. However, international visitors remained constant at 3, suggesting that while domestic interest is growing, the site may still lack international marketing visibility.

At Mutanda Falls, the number of domestic visitors increased from 95 to 127, which corresponds to a growth of 33.7%. This increase can be attributed to enhanced accessibility and local promotion. On the

other hand, international visitors to this site remained stable at just 1, signaling the need for further international marketing efforts to attract foreign tourists.

Kundalila Falls also saw a significant rise in domestic visits, increasing from 1,339 to 1,468, a growth of 9.6%. This growth can be attributed to the waterfall's unique characteristics and the continued promotion of nature-based experiences. International visitors to Kundalila Falls experienced a slight increase as well, from 65 to 66, suggesting that while the attraction is popular among locals, it still has untapped potential in the international market.

In contrast, Chilambwe Falls witnessed a slight decline in domestic visitors, dropping from 380 to 370. This decrease may indicate increased competition from other attractions or perhaps a decline in marketing efforts. However, international visitor numbers increased from 15 to 16, showing that the waterfall still retains some level of appeal to foreign tourists.

Chipoma Falls experienced a decrease in domestic visitors from 1,174 to 1,088. The significant decline in international visitors, from 25 to just 6, suggests that this site may need improved marketing strategies or enhanced visitor experiences to regain interest.

Chishimba Falls, however, tells a different story, with domestic visits growing from 9,291 to 9,717, reflecting a notable increase of 4.6%. This success can be linked to the waterfall's cultural significance and the growing trend of cultural tourism. The surge in international visitors from 105 to 390 indicates a dramatic rise in global interest, likely spurred by international marketing

campaigns and its recognition as a cultural heritage site.

Kalambo Falls also enjoyed a significant boost in domestic visitors, rising from 1,721 to 2,115, which corresponds to an impressive increase of 22.9%. This rise reflects the growing interest in the natural beauty of the region. The increase in international visitors, from 75 to 169, suggests that as more travelers seek eco-tourism experiences, Kalambo Falls is becoming a destination of choice.

Lufubu Falls demonstrated a positive trend in domestic visits, increasing from 698 to 789. This growth indicates a rising interest in local attractions. However, the lack of international visitors suggests the need for targeted marketing strategies to reach foreign travelers.

Lumangwe Falls maintained a stable number of domestic visitors at 1,154, which indicates consistent local interest. The slight increase in international visitors from 94 to 124 demonstrates that the site is starting to gain traction among foreign tourists, likely due to its picturesque landscape.

Mumbuluma Falls saw a small decline in domestic visitors, from 2,580 to 2,548, indicating potential issues with visitor retention or satisfaction. However, the increase in international visitors from 30 to 33 suggests a growing interest among foreign tourists, likely due to increased promotional efforts.

Ntumbachushi Falls experienced a notable increase in domestic visitors, from 3,439 to 3,920, highlighting its status as a popular destination. The rise in international visitors, from 46 to 72, suggests that global travelers

are beginning to recognize its attractions.

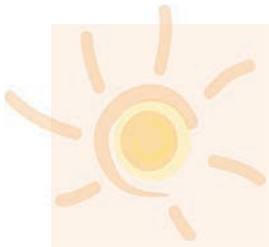
Victoria Falls, as expected, remained a top attraction, with domestic visitors skyrocketing from 133,514 to 176,385, highlighting its unparalleled status as Zambia's premier tourist destination. This significant increase can be attributed to robust marketing efforts, infrastructural improvements, and an increase in international flights. The growth in international visitors from 33,742 to 51,126 represents a remarkable resurgence in

interest, reinforcing Victoria Falls' reputation as a world-class attraction.

Lastly, Kundabwika Falls experienced a slight decrease in domestic visitors, from 197 to 177. However, the modest increase in international visitors from none to 2 indicates potential for growth in this area, showing that targeted marketing could yield positive results.

Waterfalls	2022		2023	
	Domestic	International	Domestic	International
Nyambwezu Falls	104	3	162	3
Mutanda Falls	95	1	127	1
Kundalila Falls	1,339	65	1,468	66
Chilambwe Falls	380	15	370	16
Chipoma Falls	1,174	25	1,088	6
Chishimba Falls	9,291	105	9,717	390
Kalambo Falls	1,721	75	2,115	169
Lufubu Falls	698	-	789	-
Lumangwe Falls	1,154	94	1,154	124
Mumbuluma Falls	2,580	30	2,548	33
Ntumbachushi Falls	3,439	46	3,920	72
Victoria Falls	133,514	33,742	176,385	51,126
Kundabwika Falls	197	-	177	2
	155,686	34,201	200,020	52,008

Source: National Heritage Conservation Commission



11

Financial Performance



The Directors submitted their report and audited financial statements for the year ended 31 December 2023 with the following details:

Status of the Agency

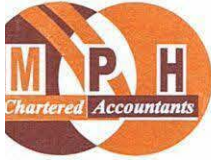
ZTA was established under the Tourism and Hospitality Act No. 13 of 2015. By virtue of the Act, all the assets and liabilities and rights and obligations of the former Zambia Tourism Board vested in the Agency

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:



MPH Chartered Accountants
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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 2023 and the statement of income and expenditure and other 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, 2023, 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 31 to 33. 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)


31/5/24
Lusaka, Zambia

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Statement of income and expenditure and other comprehensive income

	Note/Schedule	2023 K	2022 K
Revenue			
Income	Schedule 1	49,045,535	34,752,489
Other income	Schedule 1	2,233,822	1,566,266
		<u>51,279,358</u>	<u>36,318,755</u>
Expenditure			
Depreciation	Note 10	(1,017,556)	(744,536)
Employee costs	Schedule 1	(11,334,343)	(9,902,805)
Other operating expenses	Schedule 1	(36,859,212)	(23,100,606)
		<u>(49,211,111)</u>	<u>33,747,947</u>
Surplus before net finance income		2,068,246	2,570,808
Fair value adjustment on investment property	Note 11	250,000	280,000
Net finance income	Schedule 1	290,740	272,484
Surplus for the year		<u>2,608,986</u>	<u>3,123,292</u>
Other comprehensive income		100,000	125,000
Total comprehensive surplus		<u>2,708,986</u>	<u>3,248,292</u>

The accounting policies and notes on pages 13 to 30 form part of these financial statements.

Zambia Tourism Agency

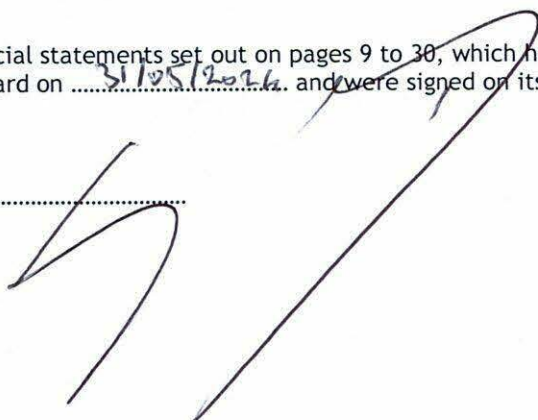
Financial statements for the year ended 31 December 2023

Statement of Financial Position


	Note	2023 K	2022 K
Assets			
Non-Current Assets			
Property, plant and equipment	10	3,636,756	4,236,486
Investment property	11	5,300,000	5,050,000
		<u>8,936,756</u>	<u>9,286,486</u>
Current Assets			
Trade and other receivables	12	420,640	252,000
Cash and cash equivalents	13	30,643,237	7,253,291
		<u>31,063,876</u>	<u>7,505,291</u>
Total Assets		<u>40,000,632</u>	<u>16,791,777</u>
Equity and Liabilities			
Funds and reserves			
Contributed reserves		4,129,162	4,129,162
Revaluation reserves		857,433	757,433
Accumulated reserves		9,983,108	7,374,122
		<u>14,969,703</u>	<u>12,260,717</u>
Current Liabilities			
Trade and other payables	14	3,002,307	4,531,060
Deferred income	14	22,028,622	-
		<u>25,030,929</u>	<u>4,531,060</u>
Total Equity and Liabilities		<u>40,000,632</u>	<u>16,791,777</u>

The financial statements set out on pages 9 to 30, which have been prepared on a going concern basis, were approved by the Board on 31/05/2024 and were signed on its behalf by:

Director



Director



A.A.M
31/05/24

The accounting policies and notes on pages 13 to 30 form part of these financial statements.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Statement of Movement in Reserves

	Accumulated reserves K	Contributed reserves K	Revaluation reserves K	Total K
At 1 January 2022	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
At 1 January 2023	7,374,122	4,129,162	757,433	12,260,717
Surplus for the year	2,608,986	-	-	2,608,986
Revaluation surplus	-	-	100,000	100,000
At 31 December 2023	9,983,108	4,129,162	857,433	14,969,703

Revaluation reserves

Revaluation reserves represent non-distributable reserves which arise from the revaluation surplus on land and 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 30 form part of these financial statements.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Statement of Cash flows

		2023	2022
	Note	K	K
Cash inflow from operating activities			
Surplus for the year		2,708,986	3,248,292
Interest received		(55,004)	(269,578)
Fair value adjustment		(350,000)	(405,000)
Depreciation	10	1,017,556	744,536
Operating cashflow before movement in working capital		3,321,538	3,318,250
Decrease/(increase) in trade and other receivables	12	(168,640)	35,971
Increase in trade and other payables	14	20,499,869	17,488
Net cash from operating activities		23,652,768	3,371,709
Returns on investment and servicing of finance			
Interest received		55,004	269,578
Net cash from investments and servicing of finance		55,004	269,578
Investing activities			
Purchase of property, plant and equipment		(317,826)	(1,316,883)
Net cash used in investing activities		(317,826)	(1,316,883)
Net cash before financing activities		23,389,946	2,324,404
Movement in cash and cash equivalents			
Increase in cash and cash equivalents		23,389,946	2,324,404
Cash and cash equivalents at beginning of the year		7,253,291	4,928,887
Cash and cash equivalents at end of the year		30,643,237	7,253,291
Represented by:			
Cash in hand and at bank	13	30,643,237	7,253,291
		30,643,237	7,253,291

The accounting policies and notes on pages 13 to 30 form part of these financial statements.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

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

Financial statements for the year ended 31 December 2023

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.

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. Investment property

Investment properties are held to earn rental income or for capital appreciation and are included in the financial statements at their fair value as determined periodically by independent valuers. Gains and losses on fair value adjustments are taken to the income statement. Rental income from investment property is accounted for on a straight-line basis over the lease term.

Fair values are based on market values, being the estimated amount for which a property, could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Subsequent expenditure on investment property is added to the carrying amount when probable that future economic benefits, in excess of the originally assessed standard of performance of the property will flow to the Agency. When the Agency begins to re-develop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value model, and is not reclassified as property, plant and equipment during the re-development.

Investment properties are distinguished from owner occupied property when only an insignificant portion is held for the Agency's own use. When investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

Property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Agency holds it to earn rental income. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (*continued*)

6.3. 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.

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 investment's 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 investment's 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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (continued)

6.3. Financial instruments (continued)

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.

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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (continued)

6.3. Financial instruments (continued)

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.

When the Agency exchanges with the existing lender one debt instrument into another one with 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 a 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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (*continued*)

6.3. Financial instruments (*continued*)

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.

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.

ii) Reversals of impairment (continued)

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.

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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (continued)

6.3. Financial instruments (continued)

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.

6.6. Grants

Revenue grants are recognised as income in the Statement of Income and expenditure and other comprehensive income 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.

6.7. 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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (*continued*)

6.8. Taxation

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

6.9. 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.

(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.

6.10. Employee benefits

(i) *Pension obligations*

The Agency contributes to the National Pension Scheme Authority (NAPSA) an amount equal to the employee's contributions and a defined contribution plan under which the Agency pays fixed contributions into Madison Life Assurance and has no legal or constructive obligation to pay further amounts. Employees contribute 5% of their gross earnings up to the statutory limit for NAPSA and 15% on basic for Madison Life Assurance.

(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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (*continued*)

6.11. 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. New and amended standards and interpretations.

In these financial statements, the Agency has applied IFRS 17 for the first time. The Agency has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers. The Agency carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has no effect on the annual financial statements of the Agency.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2, Making Material Judgements

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with "material accounting policy information". The amendments also provide guidance under what circumstances, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments have no effect on the measurement or presentation of any items in the financial statements of the Agency but affect the disclosure of accounting policies.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the financial statements of the Agency.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (continued)

7. New and amended standards and interpretations (continued).

New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Agency has decided not to adopt early. The following amendments are effective for the annual period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

These amendments are not likely to impact the Agency significantly.

The following amendment is effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Agency is currently assessing the impact of these new accounting standards and amendments. The Agency does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Agency.

Climate considerations

New sustainability and climate related standards not yet effective

The International Sustainability Standards Board has issued the sustainability disclosures standard and the climate related disclosures standard. These standards are unlikely to have a significant impact on the Agency.

IFRS S1: General sustainability related disclosures

The Standard requires companies to disclose information about all their significant sustainability related risks and opportunities. The standard is effective for annual periods beginning on or after 1 January 2024. Earlier application is permitted.

IFRS S2: Climate related disclosures

The Standard requires an entity to provide information about its exposure to climate related risks and opportunities. The standard is effective for annual periods beginning on or after 1 January 2024. Earlier application is permitted.

8. 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.

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Accounting Policies (*continued*)

8. Critical accounting estimates and judgements in applying accounting policies (*continued*)

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

Financial statements for the year ended 31 December 2023

Notes to the financial statements

	2023 K	2022 K		
9. Surplus for the year				
Surplus for the year is stated after charging:				
Depreciation	<u>1,017,556</u>	<u>744,536</u>		
And after crediting:				
Interest received	<u>55,004</u>	<u>269,578</u>		
10. Property, plant and equipment				
	Leasehold land and buildings K	Furniture and fittings K	Motor vehicles K	Total K
Cost/valuation				
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>
At 1 January 2023	1,300,000	1,997,283	5,655,028	8,952,311
Additions	-	317,826	-	317,826
Revaluation	100,000	-	-	100,000
Disposals	-	-	-	-
At 31 December 2023	<u>1,400,000</u>	<u>1,997,283</u>	<u>5,655,028</u>	<u>9,370,137</u>
Depreciation				
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>
At 1 January 2023	-	1,201,551	3,514,275	4,715,825
Charge for the year	19,500	373,770	624,286	1,017,556
Write back on revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 December 2023	<u>19,500</u>	<u>1,575,321</u>	<u>4,138,561</u>	<u>5,733,381</u>
Net book value				
At 31 December 2023	<u>1,380,500</u>	<u>739,788</u>	<u>1,516,467</u>	<u>3,636,756</u>
At 31 December 2022	<u>1,300,000</u>	<u>795,732</u>	<u>2,140,753</u>	<u>4,236,486</u>

Included in property, plant and equipment are fully depreciated assets at a cost of K3,823,066 (K3,823,066 in 2022).

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Notes to the financial statements (continued)

	2023 K	2022 K
Revaluation		
<p>The revaluation of Lot No.14845/M, Chunga Safari Camp- Mumbwa was last done by Mr. Paul Moyo from the Republic of Zambia Department of Valuation and Property Management on 18 December, 2023. 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>		
11. Investment property		
At beginning of the year	5,050,000	4,770,000
Revaluation surplus	250,000	280,000
At end of the year	<u>5,300,000</u>	<u>5,050,000</u>
<p>The Investment Property is Lot No. 1918/M Itezhi-Tezhi and was revalued by Mr. Paul Moyo from the Republic of Zambia Department of Valuation and Property Management on 18 December 2023.</p>		
12. Trade and other receivables		
Staff loans and advances	20,640	2,000
Sundry debtors	70,000	70,000
Lease rentals	330,000	180,000
	<u>420,640</u>	<u>252,000</u>
13. Cash and cash equivalents		
Cash at hand and at the bank (Note (a))	30,643,237	7,253,291
	<u>30,643,237</u>	<u>7,253,291</u>
(a). Cash in hand and at bank		
Bank balances:		
• Within Zambia	30,298,729	7,214,175
• Outside Zambia	344,507	39,116
	<u>30,643,237</u>	<u>7,253,291</u>
14. Trade and other payables		
Trade creditors	610,411	884,489
Sundry creditors	967,361	1,633,783
Gratuity	875,045	1,502,543
Leave days provisions	549,490	510,245
	3,002,307	4,531,060
Deferred income	22,028,622	-
	<u>25,030,929</u>	<u>4,531,060</u>

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Notes to the financial statements (continued)

	2023 K	2022 K
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15. 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	2,734,919.66	1,783,497
• Terminal/ gratuity benefits	461,213	884,489
(b). Directors' fees and expenses	637,821	525,295
(c). GRZ grant income	(48,869,085)	(33,369,432)

Balances

(a). Loans to Directors	-	-
(b). Gratuity to key management staff	875,045	1,502,543

The Directors are of the opinion that all these related party transactions were conducted on arm's length basis and commercial terms.

16. Capital Commitments

The Agency had no capital commitments as at 31 December 2023 (2022: nil).

17. Contingent liabilities

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.

18. Financial instruments

Categories of financial instruments

Financial assets

	Notes		
Cash and bank balances			
• Within Zambia	13(a)	30,298,729	7,214,175
• Outside Zambia	13(a)	344,507	39,116
Sundry debtors	12	420,640	252,000
		<u>31,063,876</u>	<u>7,505,291</u>

Financial liabilities

	Notes		
Trade payables	14	610,411	884,489
Other payables	14	2,391,896	3,646,571
Deferred income	14	22,028,622	-
		<u>25,030,929</u>	<u>4,531,060</u>

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Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Notes to the financial statements (continued)

	2023 K	2022 K
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19. Risk management

The Agency is exposed to a range of financial risks through its financial assets and financial liabilities. 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.

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 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:

Currency	Asset/ liabilities		
US Dollars	Bank balances	64,561	859,805
GBP	Bank balances	<u>344,507</u>	<u>39,116</u>

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 2023	Mid-market exchange rates as at 31 Dec 2022	Average currency depreciation during the year
US Dollars	25.96	18.26	42.17%

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Notes to the financial statements (continued)

	2023 K	2022 K	
19. Risk management (continued)			
<i>Foreign currency risk management (continued)</i>			
	Mid-market exchange rates as at 31 Dec 2023	Mid-market exchange rates as at 31 Dec 2022	Average currency depreciation during the year
GBP	32.72	22.02	48.59%

Credit risk 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:

Cash in hand and at the bank

	Notes		
Staff loans and advances	12	20,640	2,000
Cash and bank balances - Within Zambia	13(a)	30,298,729	7,214,175
Cash and bank balances - Outside Zambia	13(a)	344,507	39,116
Cash and bank balances - Other debtors	12	400,000	250,000
		<u>31,063,876</u>	<u>7,505,291</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.

	Notes	1 to 3 months K	3 months to 1 year K	More than 1 year K	Total K
31 December 2023					
Liabilities					
Trade payables	14	610,411	-	-	610,411
Sundry creditors	14	2,391,896	-	-	2,391,896
Deferred income	14	22,028,622	-	-	22,028,622
		<u>25,030,929</u>	-	-	<u>25,030,929</u>

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Notes to the financial statements (continued)

	2023 K	2022 K
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20. Fair value measurements (continued)

- 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.

	Notes	Carrying amount K	2023 Fair value K	Carrying amount K	2022 Fair value K
Financial assets					
Bank and cash balances					
• Within Zambia	13(a)	30,298,729	30,298,729	7,214,175	7,214,175
• Outside Zambia	13(a)	344,507	344,507	39,116	39,116
Trade and other debtors	12	420,640	420,640	252,000	252,000
Financial liabilities					
Trade payables	14	610,411	610,411	884,489	884,489
Other payables	14	24,420,518	24,420,518	3,646,571	3,646,571

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.

22. Government grants - enhanced marketing

Date	Description		
31/05/2023	Enhanced Marketing	2,050,000	-
30/06/2023	Enhanced Marketing	2,192,000	-
30/09/2023	Enhanced Marketing	8,349,600	-
07/11/2023	Enhanced Marketing	3,142,226	-
Total enhanced marketing		15,733,826	-

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Detailed operating statement *Schedule 1*

	2023 K	2022 K
Income		
Government grants - operations	16,916,398	16,855,356
Government grants - enhanced marketing (Note 22)	15,733,826	-
Government grants - marketing	9,064,505	6,688,767
Government grants - regulation & grading	7,154,356	4,357,593
Grading fee	176,450	162,096
AIA	-	5,467,716
Authorisation fee	-	1,220,961
	<u>49,045,535</u>	<u>34,752,489</u>
Finance income and costs		
Interest received	55,004	269,578
Exchange gain	235,736	2,906
	<u>290,740</u>	<u>272,484</u>
Other income		
Profit on disposal of fixed assets	-	57,000
Lease rentals	720,000	540,000
Other income	1,513,822	969,266
	<u>2,233,822</u>	<u>1,566,266</u>
Less:		
Administration expenses		
Bank charges	146,759	105,985
Board expenses	637,821	525,295
Computer expenses	9,614	9,000
Office expenses	4,091,814	4,518,584
Office rent	1,048,216	1,249,691
Postage, fax, and telephone	47,845	74,512
Repairs and maintenance	123,170	12,667
Others expenses	-	261,726
Travelling expenses	13,709	34,991
Printing and stationary	287,893	267,181
Internet	338,361	210,292
Newspaper	38,340	21,080
Others	-	65,700
Trade subscription	23,220	52,580
Exchange loss on USD revaluation	-	24,636
Insurance other	310,567	137,499
Recruitment expenses	331,491	37,577
Training	-	50,500
	<u>7,448,820</u>	<u>7,659,496</u>

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Detailed operating statement *Schedule 1 (continued)*

	2023 K	2022 K
Motor vehicle expenses		
Fuel and lubricants	233,452	123,500
Insurance and licenses	20,743	28,538
Repairs and maintenance	408,049	491,354
	<u>662,244</u>	<u>643,392</u>
Professional charges		
Audit fees - external	222,899	88,447
Legal and professional fees	251,744	121,758
Others	2,200	63,633
	<u>476,843</u>	<u>273,838</u>
Marketing expenses		
Fairs and congress	12,477,610	2,921,132
Local marketing	27,020	11,203
Social media and website	84,463	576,364
Advertising and publicity	5,827,891	866,767
Internet	16,870	104,889
Familiarisation tours	1,878,234	1,057,032
Promotion expenses-local	5,124,411	5,154,336
Promotional expenses international	449,285	1,015,657
Local road shows	-	90,000
	<u>25,885,784</u>	<u>11,797,380</u>
Licensing and standards		
Inspections	1,600,927	2,433,128
Authorisation and licencing expenses	205,584	84,012
Grading	579,009	209,360
	<u>2,385,521</u>	<u>2,726,500</u>
Total other operating expenses	<u>36,859,212</u>	<u>23,100,606</u>

Zambia Tourism Agency

Financial statements for the year ended 31 December 2023

Detailed operating statement *Schedule 1 (continued)*

	2023 K	2022 K
Employee costs		
Gratuity	461,213	819,299
Insurance - group life and GPA	-	9,800
Leave pay	213,905	218,279
Medical expenses	103,312	148,879
NAPSA employer's contribution	288,492	262,339
Pension employer's contribution	200,585	217,154
Salaries and allowances	9,017,608	7,881,208
Staff welfare	513,843	191,971
NHIMA employer's contribution	47,076	42,484
Terminal benefits	488,310	111,392
	<u>11,334,343</u>	<u>9,902,805</u>
Depreciation	<u>1,017,556</u>	<u>744,536</u>
Total expenses	<u>49,211,111</u>	<u>33,747,947</u>
Fair value adjustment on investment property	<u>250,000</u>	<u>280,000</u>
	<u>250,000</u>	<u>280,000</u>
Surplus for the year	<u>2,608,986</u>	<u>3,123,292</u>

