

ABSTRACT

The study has investigated major factors that influence tourism investment in Tanzania and has also examined the level of influence of these factors on tourism investment decisions. Infrastructure is among the major factors which influence tourism investment in Tanzania and has significant influence in making decisions on tourism investment, $X^2 (N = 70, 1) = 4.165, p < .05$. Government policy and regulation has significant influence in tourism investment decision, $X^2 (N = 70, 1) = 5.730, p < .05$. Information and Communication Technology (ICT) is among the factors which have significant influence on decision to invest in the tourism industry, $X^2 (N = 70, 1) = 5.023, p < .05$. Health and safety standards are among the important factors which have significant influence on tourism investment decisions, $X^2 (N = 70, 2) = 6.719, p < .05$. Promotion and marketing are among the factors which have significant influence on tourism investment decisions, $X^2 (N = 70, 2) = 5.642, p < .05$. Investment incentives is among the factors which have significant influence on tourism investment decisions, $X^2 (N = 70, 2) = 6.932, p < .05$. Tourism investments in the country can be enhanced by improving infrastructures particularly in areas with high potential of tourism destinations but are not developed. Review of policy and regulations can remarkably remove barriers and enhance tourism investment. A review of charges and fees as incentives to prospective investors in the tourism sector is a helpful measure that will increase tourism investments. Addressing duplication of regulatory requirements from various government agencies is vital for enhancement of tourism investments. It is recommended that Government should focus on developing infrastructures in potential but underdeveloped tourism destination to entice investments in those areas; review current policies and regulations relating to the tourism investment; review investment incentives to attract investments in the tourism industry and address duplication of regulatory requirements from various government agencies. A comparative study on ease of investing in tourism industry in the East Africa region and a study on factors hindering development of the tourism industry in Tanzania are suggested. Various government policies on investments, tourism, transport, communications, environmental conservation and others which are in one way or another involved in the tourism industry should be reviewed to enhance investments and development of the tourism industry in the country. The outcomes of the study are helpful to academicians, government officials, and prospective investors in the tourism industry and other stakeholders with interest in the sector. It also build a foundation for other empirical studies on tourism investment in Tanzania and beyond.

