

# LEGAL AND INSTITUTIONAL FRAMEWORKS FOR THE REGULATION OF THE NIGERIAN HOSPITALITY AND TOURISM INDUSTRY

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## ABSTRACT

The Nigerian tourism and hospitality sector is a viable and versatile industry that is capable of turning the fortunes of the country around in terms of revenue generation. However, the potentials in the sector have been grossly underutilized due to varied factors such as underinvestment, insecurity of lives and properties, environmental degradation, regulatory shortcomings. This paper discussed the challenges inhibiting the development of the sector, the legal and institutional framework regulating the industry, and proffer suggestions for enhancing the regulatory framework for better productivity and earnings in the sector. The study utilised the doctrinal approach; making use of primary and secondary sources of information. It was discovered that the tourism and hospitality potentials of the country are numerous, but the identified challenges such as insecurity need to be addressed to make the country a safe and attractive tourist destination.

**Keywords:** Hospitality, Institutional, Industries, Legal, Tourism

## 1.0 INTRODUCTION

Tourism and hospitality sector is a major source of revenue for countries that have been able to develop their tourism and hospitality sectors. For countries such as Egypt, Morocco, South Africa, Tunisia and Tanzania which had the highest number of revenues grossed from international travel, tourism and hospitality, however; Nigeria is number eight on the list of countries with 1.1 billion dollar receipt, a far cry from Egypt with a 12.2 billion dollar, followed by Morocco with a 9 billion dollar receipt for the same year 2022<sup>1</sup>. Quite a number of factors such as insecurity and others that will be discussed in the course of the article are reasons for the dismal performance of the sector. If properly managed the tourism sector is a major source of revenue generation for the country if all impediments to its growth are addressed. The tourism and hospitality industry in Nigeria have potentials to generate jobs for the teeming youth population and reduce the spate of unemployment. A boom in the sector creates a chain of employment creation cutting across skilled, semi-skilled and unskilled work opportunities. The nation's unemployment and underemployment statistics are both staggering and unsettling. According to the National Bureau of Statistics (NBS), unemployment is at 5.3% at Q2 2024, under employment at 10.6%, youth unemployment is at 8.4% while youth underemployment is at 15.2%.<sup>2</sup> The population of youths age 18-35 that

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<sup>1</sup><https://www.statista.com/statistics/261754/international-tourism-receipts-of-african-countries/> accessed 12 October 2024

<sup>2</sup>National Bureau of Statistics, <https://www.nigerianstat.gov.ng/> accessed 17 October 2024

could be gainfully employed in different cadres of skilled and unskilled jobs in the sector are many, but can only be employed where the sector is well and thriving. Also, indigenous people have opportunities to engage in petty businesses, even in arts and crafts attractive to tourists and holiday makers. The Nigerian tourism and hospitality sector has great potentials if sustainably developed and harnessed for the benefits of all and sundry.

## **2.0 FACTORS MILITATING AGAINST TOURISM DEVELOPMENT IN NIGERIA**

Despite the great potentials of the tourism and hospitality sector in Nigeria as a source of revenue earning, job creation, economic diversification channel, it has continued to slide into a state of dilapidation. This is due to varied factors ranging from decaying and undeveloped infrastructure, security challenges and economic instability.

### **2.1 Decaying and Underdeveloped Infrastructure**

Infrastructural development is fundamental to the success of tourism, travel, and hospitality sectors. It encompasses transportation systems, accommodation facilities, communication networks, and essential services such as water and electricity. Nigeria's infrastructural deficit is one of the most significant obstacles to tourism development. Efficient and reliable transportation is vital for tourists to access various destinations within a country. In Nigeria, transportation infrastructure is notably underdeveloped.<sup>3</sup> Roads are often in poor condition, making travel within the country challenging and sometimes hazardous. Many tourist sites, especially those located in rural areas, are inaccessible due to bad roads. The railway system, which could serve as an alternative means of transport, is outdated and insufficiently maintained. Although there have been efforts to revitalize the railway sector, progress has been slow.

Air travel, another critical component of transportation system, also faces challenges. Many of Nigeria's airports are below international standards, lacking modern facilities and adequate safety measures. Delays and cancellations are common due to poor management and maintenance issues. The inefficiency of the transportation system discourages potential tourists from visiting, as it complicates their travel plans and diminishes their overall experience.<sup>4</sup>

Similarly, the hospitality sector is directly linked to the availability and quality of accommodation. Nigeria's hospitality infrastructure is insufficient and unevenly distributed. While major cities such as Lagos and Abuja boast high-quality hotels and resorts, other regions, especially tourist hotspots, lack adequate accommodation facilities. The disparity in the quality and availability of hotels makes it difficult to cater to the diverse needs and preferences of tourists. Additionally, many existing hotels do not meet international standards, lacking basic amenities such as stable electricity, clean water, and internet access.<sup>5</sup>

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<sup>3</sup>A O Fagbolu, 'Hospitality and Tourism Management Education versus Employment in Nigeria' (2021) 9(5) *Global Scientific Journals* 131-139.

<sup>4</sup>A O Fagbolu, 'The Reasons for Failure of Tourism Small and Medium Scale Enterprises (TSMEs) and Possible Strategies for Restraining the Failure' (2021) 9(5) *Global Scientific Journals* 576-580.

<sup>5</sup>O D Fagbolu, 'Implications of the Inclusive Pro-Poor Tourism Planning in Uganda for Strategic Planning for Community-Based Tourism Development in Nigeria' in *Prospects and Challenges of Community-Based Tourism and Changing Demographics* (IGI Global 2022) 30-55.

This inadequacy affects tourists' comfort and satisfaction, leading to negative reviews and a decline in repeat visits.

In today's digital age, robust communication networks are essential for the tourism industry. Tourists rely on internet connectivity for information, navigation, and communication. In Nigeria, internet penetration is relatively low, and many tourist areas suffer from poor network coverage. This limitation hampers tourists' ability to stay connected, plan their activities, and access important information, thereby reducing their overall experience.<sup>6</sup>

The availability of essential services such as electricity and clean water is crucial for the hospitality sector. Frequent power outages and inadequate water supply are common issues in Nigeria. Hotels and other hospitality businesses often resort to using generating sets and water tanks, which increases operational costs and affects service quality.<sup>7</sup> Tourists, particularly those from developed countries, find these conditions unacceptable, leading to dissatisfaction and a negative perception of Nigeria as a tourist destination.

## 2.2 Security Challenges

Security is a fundamental prerequisite for a thriving tourism industry. Tourists seek destinations where they feel safe and secure. Unfortunately, Nigeria has been plagued by various security challenges that have severely impacted its tourism sector. The Boko Haram insurgency in the northeastern part of Nigeria has garnered international attention and significantly affected tourism.<sup>8</sup> The group's violent activities, including bombings, kidnappings, and attacks on civilians, have created an atmosphere of fear and instability. This insecurity has led to travel advisories and warnings from various countries, discouraging potential tourists from visiting Nigeria. Similarly, kidnappings for ransom have become increasingly common in Nigeria. Both locals and foreigners are targeted, with tourists often seen as lucrative targets. These incidents not only threaten the safety of tourists, but also tarnish Nigeria's image as a safe tourist destination. Armed robberies on highways and in urban areas further exacerbate the security situation, making travel within the country risky.<sup>9</sup> Nigeria is a diverse country with numerous ethnic groups and communities. Unfortunately, this diversity sometimes leads to conflicts over resources, land, and political power. These communal and ethnic clashes can erupt into violence, causing instability in affected regions. Tourists are often advised to avoid areas prone to such conflicts, which limits their travel options and reduces tourism revenue.<sup>10</sup> Additionally, corruption within the law enforcement agencies contributes to the security challenges in Nigeria. Bribery and lack of accountability hinder effective policing and crime prevention. Tourists may encounter corrupt officials demanding bribes, which not only creates a negative experience, but also undermines their sense of security. Ineffective law enforcement allows criminal activities to thrive, further deterring tourists from visiting Nigeria with negative effects on the national economy.

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<sup>6</sup>Ibid.

<sup>7</sup>M Marimuthu, L Arokiasamy and M Ismail, 'Human Capital Development and Its Impact on Firm Performance: Evidence from Developmental Economics' (2009) 2(8) *The Journal of International Social Research* 265-272.

<sup>8</sup>Ibid.

<sup>9</sup>Ibid.

<sup>10</sup>O Metilelu, 'Human Capital Development Trends in the Hospitality and Tourism Industry: A Case of Southwest Nigeria' (2016) 5(4) *African Journal of Hospitality, Tourism and Leisure* 19.

### 2.3 Economic Instability

Economic stability is crucial for the growth and development of the tourism, travel, and hospitality sectors. Nigeria's economy faces several challenges that impact these sectors negatively. Nigeria's currency, Naira, has experienced significant fluctuations in value over the years. This volatility makes it difficult for tourists to plan their budgets and affects the overall cost of travel. Unpredictable exchange rates can lead to sudden increases in prices for accommodation, transportation, and other services, making Nigeria an expensive destination for tourists.<sup>11</sup>

Similarly, high inflation rates in Nigeria erode the purchasing power of both locals and tourists. The rising cost of goods and services affects the affordability of travel and hospitality options. Tourists may find it challenging to manage their expenses, leading to reduced spending and shorter stays. Inflation also impacts the operational costs of businesses in the tourism sector, forcing them to increase prices and potentially drive away cost-sensitive tourists.<sup>12</sup> High unemployment and poverty rates in Nigeria contribute to the challenges facing the tourism sector. Unemployed youths are more likely to engage in criminal activities, including theft and scams targeting tourists. Additionally, poverty-stricken communities may lack the resources to develop and maintain tourist attractions, further limiting the country's appeal as a tourist destination.<sup>13</sup>

Economic instability deters both local and foreign investment in the tourism sector. Investors are wary of committing resources to a volatile economy, resulting in underdeveloped tourist infrastructure and limited marketing efforts. The lack of investment also affects the quality of services provided, as businesses struggle to upgrade facilities and train staff to meet international standards.<sup>14</sup> Inconsistent and unfavorable government policies contribute to the economic instability affecting the tourism sector. Policies regarding taxation, foreign exchange, and business regulations often change without adequate notice, creating uncertainty for investors and businesses. Bureaucratic red tape and corruption further complicate the business environment, making it difficult for tourism-related enterprises to thrive.<sup>15</sup>

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<sup>11</sup>Ibid.

<sup>12</sup>S A Ofobruku, 'Hospitality and Tourism Manpower Training and Education in Nigeria' (2012) 3(3-4) *Afro Asian Journal of Social Sciences* 1-18.

<sup>13</sup>Ibid.

<sup>14</sup>A Gboyega, 'Democracy and Development: The Imperative of Local Governance. An Inaugural Lecture' (University of Ibadan 2003) 6-7.

### **3.0 LEGAL FRAMEWORK FOR TOURISM DEVELOPMENT IN NIGERIA**

#### **3.1 Nigerian Tourism Development Authority Act**

The Nigerian Tourism Development Authority (NTDA) Act is a pivotal law that serves as the apex regulatory framework for the Hospitality and Tourism sector in Nigeria, it repealed the National Tourism Development Corporation Act of 2003. According to Section 1 of the Act, the National Tourism Development Corporation (NTDC) was established as a body corporate with perpetual succession and a common seal, tasked with implementing the regulations outlined in the Act. The functions of the Corporation are multifaceted and include:<sup>16</sup>

- I. To encourage people living in Nigeria to take their holidays in Nigeria and to attract visitors from abroad.
- II. To encourage the provision and improvement of tourism amenities and facilities in Nigeria, including the development of hotels and ancillary facilities.

The Authority may enter into joint venture partnerships with states and other stakeholders for the development of tourism sites and hospitality establishments.<sup>17</sup> The NTDA is empowered to accredit hospitality and tourism establishments to form a tourism alliance for the purpose of attaining and maintaining standards, quality assurance, consumer protection, and public health and safety.<sup>18</sup> A Tourism development fund was established under the Act to fund tourism related projects and programme,<sup>19</sup> with a separate entity; tourism development management board to administer the fund.<sup>20</sup> The Act provides stimulus packages and incentives for members of the tourism alliance to help boost their trade, this include: fiscal reliefs, custom duty exemptions, purchase and sale of foreign currencies.<sup>21</sup> The Nigerian Tourism Development Authority Act was assented by the president in 2022, and has created a new vista in the quest for tourism and hospitality development in the country.

#### **3.2 Nigerian Investment Promotion Commission Act**

The Nigerian Investment Promotion Commission (NIPC) Act is a crucial piece of legislation that regulates the Hospitality and Tourism sector in Nigeria. The Act establishes the Nigerian Investment Promotion Commission, a corporate body tasked with promoting, encouraging, and coordinating investments in Nigeria, including those made in the Hospitality and Tourism sector by both Nigerian and non-Nigerian investors.

The NIPC achieves its purpose through various functions, including:<sup>22</sup>

- a. Serving as the agency of the Federal Government to coordinate and monitor all investment promotion activities in Nigeria, with the aim of enhancing the investment climate for both Nigerian and non-Nigerian investors.
- b. Promoting investments in and outside Nigeria through effective promotional means.
- c. Collecting, collating, analyzing, and disseminating information about investment opportunities and sources of investment capital.

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<sup>16</sup>Section 4 (1) of the Nigerian Tourism Development Authority Act. (NTDA) Act, 2022

<sup>17</sup>Section 24, NTDA

<sup>18</sup>Section 4

<sup>19</sup>Section 18

<sup>20</sup>Section 21

<sup>21</sup>Section 29

<sup>22</sup>Section 4 of the NIPC

- d. Registering and keeping records of enterprises to which the Act applies.
- e. Identifying specific projects and inviting interested investors to participate.
- f. Initiating, organizing, and participating in promotional activities such as exhibitions, conferences, and seminars to stimulate investments.
- g. Maintaining liaison between investors and government departments, agencies, and authorities concerned with investments.
- h. Assisting incoming and existing investors by providing support services.
- i. Evaluating the impact of the Commission's activities on investments in Nigeria and making appropriate recommendations.
- j. Performing other functions supplementary or incidental to the attainment of the aims and objectives of the Act.

The Act empowers the Commission to make other enactments or take other actions expedient for the performance of its functions.<sup>23</sup> It allows both Nigerian and non-Nigerian investors to participate in owning enterprises,<sup>24</sup> except those dealing with products on the "negative list" mentioned in Section 31 of the Act, such as the production of arms, ammunition, and narcotic drugs.<sup>25</sup> Enterprises owned by non-Nigerians must first be registered with the Corporate Affairs Commission (CAC), which oversees the registration of companies and enterprises in Nigeria, and then proceed to register with the NIPC before they can operate successfully in the country.<sup>26</sup> The Act also provides for incentives to promote special investments that the government supports.<sup>27</sup>

### **3.3 Companies and Allied Matters Act 2020**

The Companies and Allied Matters Act (CAMA) is another key legislation that regulates the Hospitality and Tourism sector in Nigeria. CAMA governs the formation and regulation of both local and foreign companies and businesses operating in Nigeria's hospitality, restaurant, catering, and tourism industries. Specifically, Part B of CAMA outlines the provisions for the formation and regulation of companies that wish to provide hospitality and tourism services. Part C addresses the establishment of Limited Liability Partnerships for hospitality and tourism activities, while Part D covers Limited Partnerships. Part E of the Act regulates the formation and operations of businesses whose primary purpose is to establish and promote hospitality and tourism activities.

It is important to note that government-owned corporations for tourism are empowered by and form part of the Nigerian Tourism Development Corporation (NTDC), which is the apex regulatory body overseeing the hospitality and tourism sector in Nigeria. In addition to CAMA, the Companies Income Tax Act also regulates the Hospitality and Tourism sector by providing and governing the income tax payable by companies, trades, and businesses engaged in hospitality and tourism activities. Overall, the legislative framework for the Hospitality and Tourism sector in Nigeria comprises the NTDA Act, CAMA, and the

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<sup>23</sup>Section 5 of the Nigerian Investment and Promotion Commission Act.

<sup>24</sup>Section 17 and 19

<sup>25</sup>Section 18

<sup>26</sup>Section 20

<sup>27</sup>Section 22

Companies Income Tax Act, which collectively aim to promote investment, create jobs, and boost investor confidence in this important economic sector.

### **3.4 National Parks Act**

The national parks objectives include the conservation of wildlife throughout Nigeria, so that the abundance of diversity of their species are maintained at the optimum levels commensurate with other forms of land use, in order to ensure the continued existence of wild life for the purpose of their sustainable utilization for the benefit of the Nigerian people, and the preservation of outstanding scenic, natural, scientific, recreational and other values in the national parks.<sup>28</sup> advise the Federal Government on the declaration of areas which, for the purpose of protecting wildlife species, biotic communities, sites of special interest or of aesthetic value, the Service considers may be declared as National Parks under this Act<sup>29</sup>. The National parks service is also obliged to encourage general education in the knowledge of wild and domestic animals, fauna and flora and vegetation by publishing of the results of research particularly in relation to problems affecting Nigeria,<sup>30</sup> and also to encourage the public to visit the national parks and the study of nature afforded in national parks, thereby making them popular attraction for tourists.<sup>31</sup>

### **3.5 National Office for Technology Acquisition and Promotion Act**

The National Office for Technology Acquisition and Promotion (NOTAP) Act is another crucial piece of legislation that regulates the Hospitality and Tourism sector in Nigeria. Established under the Federal Ministry of Science and Technology, the NOTAP Act empowers the National Office for Technology Acquisition and Promotion to oversee the transfer of foreign technology to Nigeria, including technology used in the hospitality and tourism industries. The key functions of NOTAP as outlined in the Act include:<sup>32</sup>

- I. NOTAP aims to encourage a more efficient process for identifying and selecting appropriate foreign technologies to be brought into Nigeria.
- II. The Act mandates NOTAP to develop the negotiation skills of Nigerians, ensuring they can acquire the best contractual terms when entering into technology transfer agreements.
- III. NOTAP is tasked with providing a more efficient process for the adaptation of imported technologies to the local context.
- IV. The Act requires NOTAP to register all contracts and agreements related to the transfer of foreign technology to Nigerian parties, including agreements involving trademarks, patented inventions, technical services, engineering, and machinery.

NOTAP is responsible for the continuous monitoring of the execution of any registered technology transfer contracts or agreements. The NOTAP Act also establishes a Governing Council to formulate policies for the effective implementation of the regulations contained in the Act.<sup>33</sup> Furthermore, the Act empowers the appointment of a director,<sup>34</sup> who oversees the

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<sup>28</sup>Section 6(d) (e) National Parks Act

<sup>29</sup>Section 7(c)''

<sup>30</sup>Section 7(h)''

<sup>31</sup>Section 7(i)''

<sup>32</sup>Section 4 of the National Office for Technology Acquisition and Promotion Act.

<sup>33</sup>Section 2

registration,<sup>35</sup> monitoring, and cancellation<sup>36</sup> of all technology acquisition contracts under the Act. As a result, the Director of NOTAP registers a wide range of contract agreements used in the Hospitality and Tourism sector, such as Technical Service Agreements, Technology Transfer Agreements, Management Service Agreements, and Hotel Management Agreements involving the importation of foreign facilities and structures into Nigeria.

### **3.6 Companies Income Tax Act**

The Companies Income Tax Act is a crucial piece of legislation that regulates the Hospitality and Tourism sector in Nigeria. This Act provides and governs the charges of income tax payable by companies, trades, and businesses engaged in hospitality and tourism activities. These entities are not subject to tax under the Capital Gains Tax Act, Petroleum Profits Tax Act, and Personal Income Tax Act.<sup>37</sup> By virtue of this Act, taxes are deducted from companies' profits, both for local and foreign companies, derived from dividends, interests, royalties, discounts, charges, or annuities, loans, and other forms of income.<sup>38</sup> However, foreign loans and loans for agricultural productions are exempted from tax.<sup>39</sup> The Act specifies different tax rates for small, medium-sized, and large companies.<sup>40</sup> The payable taxes are to be paid via a Tax Identification Number, which serves as a unique identifier for each company.<sup>41</sup> It is essential to note that the aspect of Hospitality and Tourism Organizations that pay tax are individually owned companies and businesses, such as hotels, restaurants, individually owned resorts, parks, and other similar establishments.<sup>42</sup>

Government-owned facilities, such as some tourist centers, parks, and game reserves, are exempted from paying tax by virtue of Section 23 of the Income Tax Act. This exemption is a significant relief for government entities that operate in the tourism sector. The Act also provides relief or incentives for foreign companies from commonwealth nations or Ireland with companies in Nigeria. These companies have been allowed to enjoy a relief from the Companies Income Tax by paying a highly subsidized amount of tax. Additionally, the Act allows reliefs from other non-commonwealth countries outside Nigeria, which are to be paid according to the tax payment arrangement between Nigeria and those countries.<sup>43</sup> The Act ensures that companies operating in the hospitality and tourism sector are compliant with tax regulations, thereby contributing to the country's revenue generation and economic growth. The provisions of the Act are designed to promote transparency, fairness, and accountability in the taxation of companies operating in the tourism sector.

### **3.7 Immigration Act**

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<sup>34</sup>Section 10

<sup>35</sup>Section 6

<sup>36</sup>Section 8

<sup>37</sup>Section 9 of the Companies Income Tax 2020 (as amended).

<sup>38</sup>Section 13

<sup>39</sup>Section 13

<sup>40</sup>Section 11

<sup>41</sup>Section 40

<sup>42</sup>Section 10

<sup>43</sup>Section 44 of the Companies Income Tax 2020 (as amended)

The Immigration Act regulates and controls the entry, exit and employment of foreigners in Nigeria. The Act regulates the Nigeria immigration terrain. It makes provisions relating to the obligations expected of a company with foreign ownership to carry on business in the country. Also, for tourists and holiday makers, it is the duty of the NIS to grant them business visa or visa-on-arrival. This category of visa is available for foreign travelers who wish to visit for business meetings, conferences, seminars, training or other brief activities. The business visa is normally obtained from the Nigerian missions abroad. However, it can be obtained on arrival in Nigeria (visa-on-arrival) for urgent cases. On arrival at the port of entry, travelers proceed to the desk marked visa-on-arrival for biometric enrolment and issuance of the visa. It is applied for online and does not permit the holder to take up employment in Nigeria.

### **3.8 Museum and Monuments Act**

The Federal Government of Nigeria, through Decree 77 of 1979, established the National Commission for Museums and Monuments (NCMM) as a replacement to the Federal Antiquities Department. The NCMM was established to manage the collection, documentation, conservation and presentation of Nigeria's National Cultural properties to the public for the purposes of education, enlightenment and entertainment.<sup>44</sup> This Decree has now been re-enacted as NCMM Act, cap N19, Laws of the Federation of Nigeria, 2004.

The National Commission for Museums and Monuments with its headquarters in Abuja, manages Fifty-three (53) Museums spread across the country. There are also two UNESCO World Heritage Sites namely, Sukur Cultural Landscape in Adamawa state and Osun Osogbo Sacred Grove in Osun state.<sup>45</sup> The NCMM also has the Museum of Traditional Nigerian Architecture (MOTNA); a Zoological Garden and the Centre for Earth Construction Technology (CECTECH) as well as the Institute of Archaeology and Museum Studies all in Jos, for capacity building of different categories of its staff and others outside the Commission.<sup>46</sup>

In the past years, sixty-five (65) National Monuments and Sites have been declared, while a Hundred and Eight (100) additional ones are being proposed for declaration as National Monuments. NCMM is the representative of Nigeria at International Cultural bodies like the International Council of Museums (ICOM), the International Centre for the Study of the Restoration and Preservation of Cultural Properties (ICCROM), West African Museums Program (WAMP), the International Council on Monuments and Sites (ICOMOS) the African Council on Museums (AFRICOM) and United Nations Educational, Scientific and Cultural Organizations (UNESCO) among others.<sup>47</sup>

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<sup>44</sup>Section 1 NCMM Act

<sup>45</sup>O O Ajayi and OO Oguntokun, Climate Change Impacts on Cultural Heritage Sites in Nigeria: An Assessment of the Legal Frameworks, *Journal of Law, Policy and Globalization*, Vol.147, 2025, [www.iiste.org](http://www.iiste.org) ISSN 2224-3240 (Paper) ISSN 2224-3259 (Online)

<sup>46</sup>K U Ononogbo, MA Habeeb and MN Tsado, Challenges Confronting the National Museum of Colonial History, Lokoja, *Journal of Economic and Environmental Education*, 2021 5(1) Vol.147, 2025

<sup>47</sup>Devex, National Commission for Museums and Monuments, <https://www.devex.com/organizations/national-commission-for-museum-and-monuments-nigeria-142970> accessed 3 June 2025

## **4.0 INSTITUTIONAL FRAMEWORKS**

### **4.1 National Tourism Development Authority of Nigeria**

The National Tourism Development Authority of Nigeria (NTDA) is the apex government agency responsible for promoting and developing tourism in Nigeria, it replaced the National Tourism Development Corporation of Nigeria. Established to harness Nigeria's rich cultural, historical, and natural resources, the NTDA plays a crucial role in positioning Nigeria as a leading tourist destination both locally and internationally. The NTDA's primary mandate involves formulating policies and strategies for tourism development, which include identifying and promoting key tourist attractions, developing tourism infrastructure, and creating a favorable environment for tourism investment. This entails working closely with both public and private sectors to ensure that the tourism industry receives the necessary support and resources for growth. A key function of the NTDA is marketing and promotion.<sup>48</sup> The corporation undertakes various promotional activities to raise awareness about Nigeria's tourism potential. These activities include organizing and participating in international tourism fairs, creating marketing campaigns, and utilizing digital platforms to reach a global audience. Through these efforts, the NTDA aims to highlight Nigeria's unique attractions, such as its vibrant cultural festivals, historical sites, wildlife reserves, and scenic landscapes.

The NTDA also focuses on developing tourism infrastructure. This includes working on projects to improve accessibility to tourist sites, enhancing accommodation options, and ensuring that essential services such as transportation, healthcare, and security are in place. By investing in infrastructure, the NTDA helps to create a more comfortable and enjoyable experience for tourists, which is essential for boosting repeat visits and positive word-of-mouth.<sup>49</sup> More so, the NTDA is involved in capacity building within the tourism sector. This involves training and certifying tourism professionals, such as tour guides, hospitality workers, and travel agents. By enhancing the skills and knowledge of these professionals, the NTDA ensures that the tourism industry can offer high-quality services that meet international standards.<sup>50</sup>

### **4.2 Nigerian Immigration Service**

The Nigerian Immigration Service (NIS) plays a pivotal role in managing the movement of people in and out of Nigeria, impacting the country's hospitality and tourism sector significantly. Established in 1963, the NIS is tasked with regulating entry and exit of people, issuance of travel documents, and overall border security. It has evolved over the years, adopting modern technology to enhance its operations. One of the core functions of the NIS is the issuance of various types of visas that cater to tourists, business travelers, and expatriates. The introduction of the e-visa system has streamlined the process, making Nigeria more accessible to international visitors. This ease of access is crucial for the tourism and hospitality industry, as it directly influences the number of tourists entering the country.

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<sup>48</sup>Ibid.

<sup>49</sup>Batra, A 'Bridging the Gap between Tourism Education, Tourism Industry and Graduate Employability: Intricacies and Emerging Issues in Nigeria' (2016) 36(2) *ABAC Journal* 78-89.

<sup>50</sup>Chuka Agbu, <https://www.thisdaylive.com/index.php/2024/05/07/ntda-act-2022-a-long-awaited-booster-for-tourism/> accessed 16 October 2024

Additionally, the NIS collaborates with other security agencies to ensure that tourists are safe, which is a key factor in promoting Nigeria as a tourist destination.<sup>51</sup>

Furthermore, the NIS engages in public sensitization programs to educate citizens and foreigners about immigration laws and regulations. These initiatives are designed to foster a better understanding of immigration procedures, thereby reducing incidents of illegal immigration and ensuring that visitors comply with Nigerian laws. The efficiency and effectiveness of the NIS in handling immigration processes can significantly affect the country's image and attractiveness as a tourist destination. Some of the challenges of the institution is delay in processing of visa applications and the endemic issues of corruption.<sup>52</sup> Quite a handful of unscrupulous officials of the immigration service have been linked with collection of bribes to facilitate passport and visa approval. The comptroller general of immigration's assurance to tackle corruption in the system through technology is welcome development, even though it remains to be seen as it plays out on the long run.<sup>53</sup>

### **4.3 Corporate Affairs Commission**

The Corporate Affairs Commission (CAC) is a crucial regulatory body in Nigeria responsible for the registration, regulation, and administration of companies. Established under the Companies and Allied Matters Act (CAMA) in 2020, the CAC ensures that businesses, including those in the hospitality and tourism sector, operate within the legal framework of Nigeria.<sup>54</sup> The CAC's role in the tourism and hospitality sector is multifaceted. Firstly, it facilitates the registration of new businesses, ensuring that they are legally recognized and can operate within Nigeria's economic environment. This process involves verifying the authenticity of business documents, issuing certificates of incorporation, and maintaining a registry of all businesses operating in the country.<sup>55</sup>

By doing so, the CAC provides a level of transparency and legality that fosters investor confidence, essential for attracting both local and international investments in the tourism and hospitality sector. More so, the CAC ensures compliance with statutory requirements, including the submission of annual returns and financial statements. This regulatory oversight is crucial in maintaining corporate governance standards and accountability within the sector. Businesses that comply with these regulations are more likely to attract investors and customers, contributing to the overall growth and sustainability of the tourism and hospitality industry in Nigeria.

### **4.4 National Park Service**

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<sup>51</sup>D Munzali, 'Enhancing and Enforcing Regulatory Framework for Hospitality Industry in Nigeria-The Challenges and Prospects' (2011) 1(1) *HATMAN Journal of Hospitality and Tourism* <http://hatman2010.org> 1 accessed 14 July 2024.

<sup>52</sup>Scot Beyer, Tourist Visa Extortion, <<https://catalyst.independent.org/2023/07/24/tourist-visa-extortion/>> accessed 17 October 2024

<sup>53</sup>Bashir Bello, We're deploying measures to checkmate corruption in NIS <https://www.vanguardngr.com/2024/07/were-deploying-measures-to-checkmate-corruption-in-nis-comptroller-general/> accessed 17 October 2024

<sup>54</sup>AO Fagbolu, *supra* (n.3)

<sup>55</sup>*Ibid.*

The National Park Service is saddled with responsibility for the protection and conservation of wildlife in Nigeria. The service is also to develop the parks to serve as a point of attraction to tourists and holiday makers. The country is endowed with many parks of interest like: Old Oyo national park, Yankari games reserve, Okomu national park and more many with various species of animals, birds and plants. Yet, the problems of poaching and smuggling of rare species of animals and plants deplete the natural resources. Also, limited funding and lack of appropriate technologies hamper the works of park managers and rangers of the National Park Service.

#### **4.5 Nigerian Investment Promotion Commission**

The Nigerian Investment Promotion Commission (NIPC) is tasked with promoting and facilitating investments in Nigeria. Established by the NIPC Act in 1995, the Commission aims to create an enabling environment for business growth and development, with a particular focus on attracting foreign direct investment (FDI).<sup>56</sup> In the context of the hospitality and tourism sector, the NIPC plays a vital role in marketing Nigeria as a viable investment destination. The Commission provides potential investors with relevant information about investment opportunities, regulatory requirements, and incentives available in the sector. By doing so, the NIPC helps to demystify the investment process and encourages more investors to consider Nigeria as a profitable destination.<sup>57</sup>

Furthermore, the NIPC engages in policy advocacy to ensure that the investment climate is conducive for business operations. This involves collaborating with other government agencies to streamline regulatory procedures, reduce bureaucratic bottlenecks, and enhance the overall ease of doing business. For the tourism and hospitality sector, these efforts translate into a more attractive and competitive environment that can support the establishment and growth of hotels, resorts, and other tourism-related enterprises.

#### **4.6 Federal Competition and Consumer Protection Commission**

The Federal Competition and Consumer Protection Commission (FCCPC) is the primary agency responsible for promoting fair competition and protecting consumer rights in Nigeria. Established by the Federal Competition and Consumer Protection Act in 2019, the FCCPC aims to eliminate monopolies, prevent anti-competitive practices, and ensure that consumers have access to quality goods and services.<sup>58</sup> For the hospitality and tourism sector, the FCCPC's mandate is particularly relevant. The Commission ensures that businesses in this sector operate in a manner that promotes healthy competition, thereby driving innovation and improving service quality. By preventing anti-competitive practices, such as price-fixing and monopolistic behaviors, the FCCPC helps to create a level playing field where businesses can thrive based on merit.

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<sup>56</sup>L M Marafa, 'Exploring Tourism Potentials for Employment Generation and Poverty in Nigeria: Towards Attaining the Millennium Development Goals' (Paper presented at a Sensitization Workshop on Sustainable Tourism Policy, Strategy and Hospitality Development in the Implementation of the Nigeria Tourism Master Plan, 2011).

<sup>57</sup>Ibid.

<sup>58</sup>Ibid.

Additionally, the FCCPC protects the interests of consumers by ensuring that they are not subjected to unfair practices. This includes monitoring and addressing issues related to misleading advertisements, substandard services, and exploitation. In the hospitality and tourism sector, where consumer satisfaction is paramount, the FCCPC's role is crucial in maintaining high service standards and building consumer trust. A positive consumer experience can significantly enhance the reputation of Nigeria as a tourist destination, thereby boosting the sector's growth.<sup>59</sup>

#### 4.7 The Judiciary

The Judiciary in Nigeria plays an integral role in interpreting and enforcing laws that affect the hospitality and tourism sector. As the arm of government responsible for the administration of justice, the Judiciary ensures that legal disputes are resolved fairly and efficiently, providing a stable legal environment for businesses to operate.<sup>60</sup> The Judiciary's role in the tourism and hospitality sector encompasses several areas. First, it adjudicates disputes arising from commercial transactions, contracts, and regulatory compliance. This includes resolving issues related to land ownership, property rights, and business operations. By providing a mechanism for the fair resolution of disputes, the Judiciary helps to instill confidence in the legal system, which is essential for attracting both local and foreign investments.<sup>61</sup>

Similarly, the Judiciary plays a crucial role in upholding consumer rights and enforcing regulations designed to protect the public. This includes interpreting and applying laws related to consumer protection, environmental standards, and public safety. In the hospitality and tourism sector, where compliance with regulatory standards is critical, the Judiciary's oversight ensures that businesses adhere to legal requirements, thereby safeguarding the interests of consumers and promoting a safe and sustainable tourism environment.

The landmark case of *A.G. Federation v. A.G. Lagos State*<sup>62</sup> established the division of regulatory powers over tourism between the federal and state governments in Nigeria. The Supreme Court held that the federal government's power under the constitution is limited to regulating foreign tourist traffic, while the states have the authority to regulate other aspects of tourism, such as the registration, classification, and grading of hospitality establishments. The court ruled that the Lagos State Hotel Licensing Law, Hotel Occupancy and Restaurant Consumption Tax Law, and Hotel Licensing (Amendment) Law were within the constitutional powers of the Lagos State government, and not in conflict with the federal Nigerian Tourism Development Corporation Act.

In *Registered Trustees of Hotel Owners and Managers Association of Lagos v. A.G. Lagos State & Anor*,<sup>63</sup> the Federal High Court case, the court upheld the power of the Lagos State government to impose a Hotel Occupancy and Restaurant Consumption Tax. The court ruled

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<sup>59</sup>L M Marafa, *supra* (n.56)

<sup>60</sup>*Ibid.*

<sup>61</sup>C O Adedipe and B Adeleke, 'Human Capital Development in the Nigerian Hospitality Industry: The Imperative for Stakeholder-Driven Initiative' (2016) 8(2) *Worldwide Hospitality and Tourism Themes* 195-206 <https://doi.org/10.1108/WHATT-11-2015-0051> accessed 10 July, 2024.

<sup>62</sup>(2013) JELR 35547 (SC)

<sup>63</sup>(2019) 47 TLRN 1 at 16.

that the power to impose such taxes is a residual matter under the constitution, falling within the legislative competence of the state government, and not covered by the federal Value Added Tax Act. This case further reinforced the states' authority over certain aspects of tourism regulation, particularly in the hospitality industry, within their respective territories. These key court rulings have helped define the legal framework for tourism governance in Nigeria, clarifying the distinct roles of the federal and state governments in this sector. They have established that states have significant regulatory powers over tourism activities, especially in areas like hospitality licensing and taxation, within their jurisdictions.

#### **4.9 Nigeria Police**

The Nigerian Police Force (NPF) is the primary law enforcement agency responsible for maintaining peace, law, and order across the country. Its role extends significantly to the hospitality and tourism sector, ensuring the safety and security of tourists, hospitality businesses, and tourism-related infrastructures. Safety is a paramount concern for tourists, and the presence and effectiveness of the NPF can greatly influence perceptions of Nigeria as a travel destination.<sup>64</sup>

In tourist hotspots, the NPF often deploys specialized units, such as the Tourism Police, tasked with protecting tourists and responding to incidents that may affect them. This specialized focus helps in mitigating risks such as theft, assault, and scams, which could otherwise deter visitors. The visibility of the police in these areas also serves as a deterrent to potential criminals, thereby enhancing the overall sense of security.<sup>65</sup> More so, the NPF collaborates with other security agencies and local authorities to implement comprehensive security plans for major events and festivals that attract large numbers of tourists. This includes crowd control measures, emergency response protocols, and intelligence gathering to preempt potential threats. By ensuring a secure environment, the NPF helps to foster a positive image of Nigeria as a safe and welcoming destination.

#### **4.10 Federal Ministry of Foreign Affairs**

The Federal Ministry of Foreign Affairs (FMFA) is responsible for managing Nigeria's international relations and diplomatic engagements. Its role in the hospitality and tourism sector is pivotal in terms of fostering international cooperation, facilitating travel, and enhancing Nigeria's global image as a tourist destination. One of the key functions of the FMFA is to negotiate bilateral and multilateral agreements that facilitate easier travel between Nigeria and other countries. This includes visa waivers, simplified visa procedures, and reciprocal travel arrangements. By making it easier for foreign tourists to visit Nigeria, the FMFA contributes to the growth of the tourism sector.

Nigerian embassies and consulates around the world play a significant role in promoting Nigeria as a tourist destination. They provide potential tourists with information about Nigeria's attractions, travel requirements, and safety guidelines. These diplomatic missions also work to protect the interests of Nigerian tourists abroad and provide assistance in case of emergencies. The FMFA also engages in cultural diplomacy, promoting Nigeria's rich

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<sup>64</sup>L M Marafa, *supra* (n. 56)

<sup>65</sup>*Ibid.*

cultural heritage and traditions on the global stage. This can involve organizing cultural events, participating in international exhibitions, and fostering cultural exchanges. By showcasing Nigeria's cultural diversity, the FMFA helps to attract culturally motivated tourists and enhances Nigeria's appeal as a travel destination.

#### **4.11 Federal Ministry of Transportation**

The Federal Ministry of Transportation is instrumental in developing and maintaining the transportation infrastructure necessary for a thriving tourism and hospitality sector. Efficient and reliable transportation systems are essential for tourists to access various attractions and move comfortably within the country.<sup>66</sup> The Ministry oversees various modes of transportation, including roads, railways, air travel, and waterways. For road transport, the Ministry is responsible for the development and maintenance of national highways and major roads that connect tourist destinations. Improving road infrastructure enhances accessibility and reduces travel time, making it easier for tourists to explore different regions of Nigeria. In terms of rail transport, the Ministry is involved in the development and modernization of the railway network. An efficient rail system can provide an alternative mode of transport for tourists, particularly for those traveling between major cities and tourist hubs. Modern rail services can offer a comfortable and scenic way to explore the country, adding to the overall travel experience.<sup>67</sup>

Air travel is another critical area under the Ministry. The development and expansion of airports, coupled with improved air connectivity, are crucial for attracting international tourists. The Ministry works to ensure that airports meet international standards, offering safe and efficient services to travelers. Enhancing air connectivity also involves negotiating with airlines to increase the number of flights and destinations, thereby improving accessibility. Waterways and ports also play a role, particularly for coastal and riverine tourism. The Ministry is involved in the development of ports and the regulation of maritime transport, ensuring that tourists can access destinations via water transport. This includes supporting the development of cruise tourism and ensuring that ports offer the necessary amenities for tourists.<sup>68</sup>

#### **4.12 Travel Agents**

Travel agents are an integral part of the hospitality and tourism ecosystem, acting as intermediaries between tourists and service providers. They offer a range of services, including booking flights, accommodations, tours, and providing travel advice. Their role is crucial in facilitating seamless travel experiences and promoting Nigeria as a tourist destination.<sup>69</sup> Travel agents often have extensive knowledge of travel destinations, including attractions, accommodations, and transportation options. They use this expertise to create tailored travel packages that cater to the specific interests and needs of their clients. By offering personalized services, travel agents enhance the overall travel experience, making it more enjoyable and hassle-free for tourists. More so, travel agents play a significant role in marketing and promoting tourist destinations. They collaborate with tourism boards, hotels,

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<sup>66</sup>Adedipe and Adeleke, *supra* (n. 61)

<sup>67</sup>*Ibid.*

<sup>68</sup>*Ibid.*

<sup>69</sup>*Ibid.*

and airlines to create promotional campaigns and special offers. By leveraging their networks and marketing channels, travel agents help to raise awareness of Nigeria's tourism potential and attract more visitors.<sup>70</sup>

In addition to their marketing efforts, travel agents provide valuable support services to tourists. These includes offering advice on travel documentation, health and safety precautions, and local customs. In case of emergencies or changes in travel plans, travel agents can provide assistance and make necessary arrangements, ensuring that tourists have a smooth and enjoyable trip. Also, travel agents contribute to the tourism economy by generating business for various service providers, including hotels, tour operators, and transportation companies. Their role as intermediaries helps to distribute the economic benefits of tourism across different sectors, supporting the overall growth and sustainability of the tourism industry.<sup>71</sup>

#### **4.13 Federal Inland Revenue Services of Nigeria**

The Federal Inland Revenue Service (FIRS) of Nigeria is the government agency responsible for assessing, collecting, and accounting for taxes and other revenues accruing to the federal government. Its role in the hospitality and tourism sector is significant, as tax policies and regulations can greatly impact the profitability and growth of tourism-related businesses.<sup>72</sup> One of the primary functions of the FIRS is to ensure compliance with tax laws. For businesses in the hospitality and tourism sector, this includes paying corporate income tax, value-added tax (VAT), and other applicable taxes. The FIRS works to ensure that businesses comply with these obligations, thereby contributing to the government's revenue base, which can be used to fund infrastructure and other public services that benefit the tourism industry. The FIRS also plays a role in creating a conducive tax environment that encourages investment in the tourism sector. This can involve providing tax incentives and reliefs for tourism-related businesses. For example, the government may offer tax holidays, reduced tax rates, or exemptions for certain investments in the tourism infrastructure. These incentives are designed to attract both local and foreign investors, thereby stimulating growth and development in the sector. Furthermore, the FIRS engages in public education and awareness campaigns to inform businesses and individuals about their tax obligations and the benefits of tax compliance. By fostering a culture of compliance, the FIRS helps to create a transparent and predictable business environment, which is essential for attracting and retaining investments in the tourism and hospitality industry.

#### **5.0 CONCLUSION AND RECOMMENDATIONS**

The tourism sector is a proven source of alternative revenue generation for the country. It is also an avenue for generation of skilled and unskilled employment for the teeming population; this will go a long way to reduce unemployment. However, despite the promises the sector hold to boost Nigeria's economy, the performance of the industry is hampered by insecurity, underinvestment, inadequate infrastructure, amenities and manpower. In order to maximise the potentials offered by the sector, there must be a carefully designed template in compliance with international standards and best practices that will stimulate investment and

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<sup>70</sup>A Batra, 'Bridging the Gap between Tourism Education, Tourism Industry and Graduate Employability: Intricacies and Emerging Issues in Nigeria' (2016) 36(2) *ABAC Journal* 78-89.

<sup>71</sup>D Munzali, *supra* (n.51)

<sup>72</sup> *Ibid.*

patronage while taking cognisance of the country's peculiarities. Improving and upgrading tourist sites, provision and maintenance of critical infrastructure, and ensuring a secured environment are some of the things that must be done right to attract necessary investments. Furthermore, necessary amendment to existing laws and implementation will aid sustainable development of the sector which are critical to achieving the overall success of the tourism and hospitality industry.

Transportation infrastructure in all its forms; roads, air, rail are critical to the tourism sector drive, the road networks need to be improved upon to make the tourists experience seamless and relievable. Security issues bedeviling the country must be tackled headlong in order for the tourism sector to thrive in the country and garner much needed revenue to the economy. The spate of kidnapping, banditry and all forms of security threats must be addressed accordingly, to make Nigeria an attractive and worthwhile tourist destination.

Resolving the electricity conundrum in the country is crucial for the sustainable development of the hospitality sector, the norm of running on diesel and petroleum powered generating sets is not sustainable for businesses to be profitable.

In order for the government to achieve the economic diversification agenda, it is expedient to activate systems that will eradicate corruption among the rank and files of government agencies; this is critical to the overall efforts at revamping the tourist and hospitality industry in Nigeria. Law enforcement is critical to the image of the country and its advertisement as a tourist destination of choice. The competitive nature of the tourism and hospitality sector requires all stakeholders to ensure the sector receives the attention necessary to position to reap from the multi-billion dollar sector.

The NTDA Act is a welcome development for the progress and prosperity of the tourism and hospitality sector, and as the provisions of the law are activated, identified gaps can be addressed through subsidiary legislation.