

# Assessing the Impacts of Hospitality Industry in Enugu City, Nigeria

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**Abstract** Tourism destination competitiveness depends on a viable recreation and hospitality facilities that often represent the destination products. The study assessed the impact of hospitality industry on the development of Enugu city. Data was basically from questionnaire survey and participatory research method. Data generated were analyzed descriptively using simple percentage, mean, charts, graphs and tables. Students't-test was employed to examine the level of significance between the people involved in tourism and non-tourism related activities in the study area. The result revealed that the calculated t-value of 2.8 is greater than the critical t-value of 1.76 which means that there was a significant difference between people involved in tourism and non-tourism related activities in the study area. It was also observed that 70% of the lodgings in the hotels were by local residents while the remaining 30% was recorded by visitors from outside the state and that only 20% of the hotels have recreational facilities. Based on the findings, it is recommended that managers of hotels should improve the standard of services and equip their hotels with modern recreational facilities while government and private investors should host events in the state to increase patronage of the hotels.

**Keywords** Recreational facilities, Accommodation, Local residents, Hotels, Hospitality, Competitiveness

## 1. Introduction

Tourism is a product that relies totally upon simultaneous production and consumption of destination based products [1, 2]. The implication of this for the destination's host community is that it will come into contact with an alien population during the production process. This contact can be beneficial or detrimental to the host community depending upon the difference in cultures and the nature of the contact [3, 4].

Tourism can grow and be sustained when host communities have a positive attitude towards it and when they see their role in the process of the tourism development as being rewarding and vital to their personal and community growth. At the point tourism activities are initiated in a destination, the quality and value of life of the local hosts goes through radical changes, which are not necessarily negative [5, 6].

According to the World Travel and Tourism Council, the hospitality industry plays a vital economic role in local communities throughout the world. Travel and tourism is one of the world's largest industries, generating US\$6 trillion or 9% of global GDP and supporting 260 million jobs [7]. Many of those jobs are created by the hotel sector, giving

the industry a tremendous opportunity to help local communities prosper [8, 9].

Tourism is ideally known to generate revenue and wealth to the investors of different nations all over the globe today, and Nigeria is endowed with so many tourist attractions as well as several tourism resources that can provide abundant business opportunities to the local and foreign prospective tourism investors viz-a-vis increase Government earnings [10, 11]. Furthermore, Nigeria being a giant land blessed with the Savannah-Sahel in the North, the Hills and Mountains in the East and the Lagoons and Forests in the West is blessed with attractions that can adequately enhance the revenue portfolio of the Nation. However, tourism will not receive the desired attention without relatively discussing the accommodation aspect which attracts fifty percent (50%) of the tourist expenditure at an average, at any point in time [12].

The tourism industry with the hotel, motel and catering being integral parts of it and any consideration of the hotel industry as an engine of growth needs to take into account the multiplier effect which it also possess [13]. Hotels are classified according to the hotel size, location, target markets, levels of service, facilities, number of rooms, ownership and affiliation etc. In most developed countries of the world, the impacts of hotels go well beyond providing rooms and jobs, but the economic reach of the hotel sector extends far beyond its direct contributions to taxes, employment, income and GDP [14]. The supply chain of the industry has a knock-on effect, creating business activity in nearly all other economic

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sectors [15]. Hotel guests spend money in the retail, recreational, transportation and restaurant outfits and hotels provide a forum for business meetings, trade shows and conventions which in turn generate economic growth [16].

It is widely recognized that tourism is an important factor that can contribute to the development of market-oriented economy. It can also be emphasized that tourism is directly linked with the cultural, economic and intellectual potential of a country and the current statistical data show that tourism is defined as one of the most profitable and rapidly developing industries in the world. It was noticed that in the early 21<sup>st</sup> century that the number of tourists increased dramatically and consequently the revenues from tourism increased considerably [17, 18]. This could be traced to the advancement in technology, trade and the transport sector [6, 9, 13].

In recent times, economists have observed that diversification of a country or region's economy is a sign and powerful factor of development and a sustainable source of wealth [19]. This is to say that if a country or region's hope of economic survival is dependent on an industry, then such industry is bound to experience pressure on its facilities and resources which may lead to economic recession which would cause poverty and starvation among the people and a breakdown of economic activities within such a region [20, 21, 22].

With the experience of the recent economic recession around the world, most developed and developing countries have embraced tourism as a major option of diversifying their economy and the choice to develop tourism in such countries has been observed to work as a boost to their economy [23]. This has promoted the involvement of countries in tourism development and this recent increase in tourism activities around the world have also been reported to be accompanied with negative impacts especially where it is not practiced responsibly [24, 25]. In most of the countries where tourism have really propelled the economy to greater heights, it has been discovered that the hospitality industry especially the hotels are seen as the main nucleus of its positive impacts through job creation, foreign exchange generation, income generation, incentive for elongated duration of tourists stay and image promotion [26, 27].

The hotel industry has been reported to have overbearing direct impacts on the economy of its host community through the provisions of employment (although in some cases temporal and insecure), structural development, exposure, income generation, foreign exchange generation, it also has indirect impacts on the economy of its host community through its boost on the existence and survival of support tourists' facilities like; the transport sector, tour guides, arts and craftsmen, food and beverages sector, security operatives, restaurants, drinking spots, club houses and the local market men and women who all benefit from the trickle-down effect or multiplier effect of the tourists' presence whose duration of stay is most determined by the satisfaction upon the services and facilities rendered by the hotel industry [28, 29].

In the Gambia, for instance, 30% of the workforce depends directly or indirectly on tourism [25]. Also in small Island developing countries, significant part of the citizens depends on tourism such as; 83% in the Maldives, 21% in the Seychelles and 34% in Jamaica while Malta has only 380,000 residents, it received over 1.2 million tourists in 2009 and tourism generated more than \$650 million in foreign exchange earnings (25% of its GDP). Malta's high dependence on tourism and a limited number of export products makes its trade performance vulnerable to shifts in international demand [7, 30].

Nigeria cannot be left out in this strive towards economic growth through hotel development as its hospitality industry has shown tremendous strength in the aspect of human resources and structural development and also recognizing the fact that the dependence of the country's economy is gradually shifting from the oil sector to the tourism sector. Enugu city has also experienced a boost in the tourism development through the rapid increase in the number of hotels in the city [31, 32]. The hotel industry in Enugu which started with the establishment of The Dayspring hotel at Lagos Street in 1955 and later had the establishment of the Atlantic hotel at Ogidi street, Night life hotel, Olympic hotel and the Presidential hotel etc.

In recent times, the City have observed a great increase in the number of hotels and all these has been observed to have an over-bearing influence on the social, economic, cultural and aesthetic development and transformation of the city. However, there is a dearth and unavailability of information on the subject matter due to the fact that there are no published literatures on the inventory and standard of the hotel industry in Enugu city. Considering the incessant increase in the state of unemployment in the country, it is worthy of note that the tourism industry in Nigeria has experienced a steady increase in the rate of tourists' arrivals and tourism activities within the country but it is imperative to also note that lack of Government and private investors interest can be said to be the greatest challenge of the industry that have slowed the development of the industry in the country and Enugu State in particular. It is in this regards that this paper seek to investigate the impacts of the hotel industry in the development of Enugu city.

## 2. Research Method

Enugu city is the capital of Enugu State in Nigeria and is located in the South-Eastern part of Nigeria and is largely populated by the Ibos, an ethnic group in Nigeria. The city has a population of 722,664 according to the 2006 Nigerian census and a projected population of 4,061,808 in 2013 [33].

The name Enugu was derived from the two Igbo words Enu and Uguwu meaning "top of the hill" or Hill top, denoting the city's hilly geography. Enugu is a city blessed with numerous natural and cultural tourism resources. This study is an exploratory cross-sectional survey devoid of control but a one-time observation of independent and non-manipulated variables and covered hotels within Enugu city. Primary and

secondary sources of information were employed to elicit data for this study.

The Primary source involved the use of questionnaire survey with open ended questions which were administered to managers and workers in the various hotels within the city and also to purposively selected residents, mainly those engaged in economic activities and businesses within the city to elicit information on their participation and involvement in tourism development. Information on staffs' strength and salaries was derived from a questionnaire survey on managers of various hotels in the city.

A total of 300 questionnaires were duly completed and returned by the respondents Interview sessions which were strictly guided by a participatory research method was also held with the management of hotels in the city and management staffs of the State Ministry of Tourism to help elicit information on the economic implication of the hotels to the State economy.

The secondary source of information involved the use of available recorded information in the hotels and the State Ministry of Tourism and the State internal revenue office to help the researcher elicit information on the origin of the tourists, their purpose of visit and duration of stay; date of establishment of hotels, taxation rate by government and the total annual tax generated by the State from the hotels. The city was delineated into seven zones of Abakpa, Trans-Ekulu, New Heaven, Independence Layout, G.R.A, Obiagu, Uwani and inventory of the number of hotels in the various areas were collated.

Data for this study was analyzed with the use of descriptive and inferential statistical techniques. The descriptive techniques involved the use of tables, charts,

simple percentages, mean and standard deviation while the inferential statistical techniques involved the use of t-test statistical technique to examine the level of significance between those involved in tourism and non-tourism related activities within the study area.

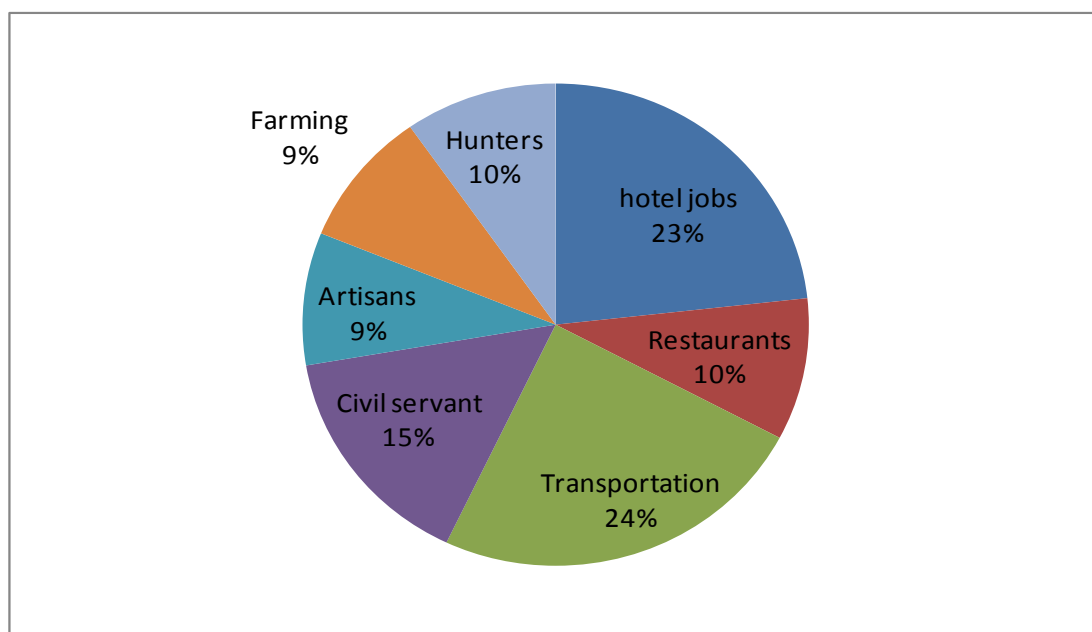
### 3. Results and Discussion of Findings

#### Local people's involvement in hotel industry activities

The study examined the viability of the hospitality industry on the people of the study area. It was realized that among the 473 respondents used for this study, 270 representing 57 percent of the sample population were involved in hospitality industry related jobs such as hotel jobs, restaurants, transport, while 203 representing 43 percent of the population were involved in non-tourism related jobs like civil service, artisan, farming and hunting within the study area. This implies that more people in the study were involved in tourism related activities than the non tourism related ones.

Furthermore, in order to confirm if there is a significant difference in the number of people employed in tourism and non-tourism related activities in the study area (Table 1). The result on Table 1b shows that the calculated t-value of 2.8 is greater than the critical t-value of 1.76 needed for significance with 12 degree of freedom.

These result shows that there is a significant difference between people involved in tourism related activities (hotel jobs, restaurant, transportation) and those involved in non-tourism related activities (civil service, artisan, farming and hunting).



Source: researcher's field survey, 2014

Figure 1. Occupational structure of respondents in the area

**Table 1.** Occupational structure of the study population

Area	hotel jobs	(%)	Restaurants	(%)	Transport	(%)	Civil servant	(%)	Artisans	(%)	Farming	(%)	Hunters	(%)	Total	(%)
Abakpa	14	13	5	11	12	10	10	14	8	19	11	26	10	22	70	15
Trans-Ekulu	22	20	8	18	15	13	9	13	5	12	2	5	7	15	68	14
New heaven	22	20	4	9	21	18	8	11	3	7	4	9	8	17	70	15
Independence layout	12	11	6	13	22	19	11	15	8	19	5	12	3	7	67	14
Obiagu	10	9	8	18	24	21	13	18	3	7	5	12	6	13	69	15
G.R.A	12	11	9	20	12	10	12	17	7	17	8	19	9	20	69	15
Uwani	18	16	5	11	9	8	9	13	8	19	8	19	3	7	60	13
Total	110	100	45	100	115	100	72	100	42	100	43	100	46	100	473	100

**Source: Researcher's field work, 2014**

**Table 1b.** Result of t-test analysis for number of people involved in tourism and non-tourism related activities

Activities	N	Mean	SD	t
Tourism related activities	7	30.57	6.55	2.8
Non-tourism related activities	7	29.00	6.19	

### Patronage of hotels in Enugu city

The success of any business is understandably known to depend on its level of patronage by expected customers. Table 2 shows the type of people or tourists' that patronize the hotels in the city and also their origin of residents.

Information on Table 2 reveals that 32% of the total number of tourists that patronize hotels in the city stay in

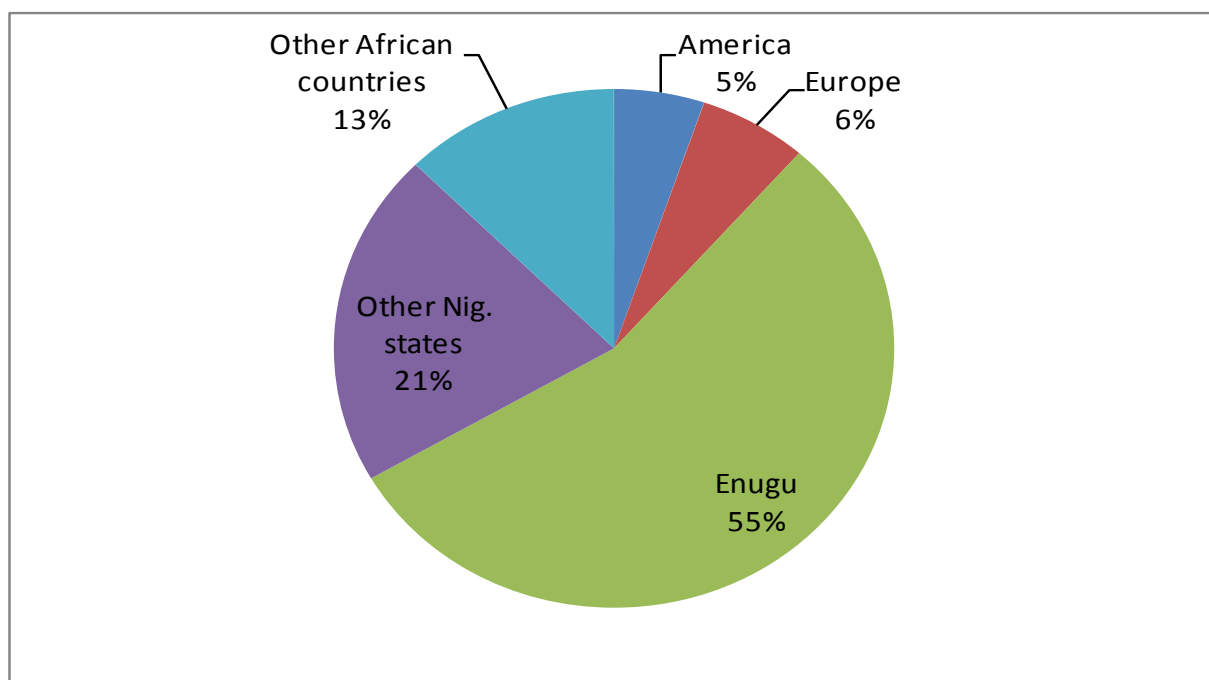
hotels located within Independence Layout, 16% within New Heaven area, 14% stay within Trans-Ekulu, 13% within G.R.A, 10% within Abakpa, 8% within Obiagu area and 7% stay in hotels within Uwani area. It also shows that most of the people that stay in the hotels are local residents in Enugu state as they form the main nucleus of the people who patronize the hotels in the city as shown in Fig. 2.

Information in Fig. 2 shows that 53% of the people who patronize or spend night in the hotels within Enugu city are local resident in Enugu state while 20% of the patronage are people from other states in the country, 12% are people from other African countries, 6% are people who reside in Europe, 5% from people who reside in America and 4% from people who travel from Asia.

**Table 2.** Tourists' and people who spend night in the hotels and their origin (2004-2013)

S/N	Hotel location	No. of tourists	% of patronage	Origin of Tourists					
				Enugu	Other Nigerian states	Other African Country	Europe	America	Asia
1	Abakpa	29,600	10	22,117	5,120	1,850	350	68	95
2	Trans-Ekulu	38,240	14	25,986	8,003	3,500	330	309	112
3	New Heaven	46,320	16	29,663	10,200	4,598	667	760	432
4	Independence Layout	90,000	32	21,472	18,098	16,780	12,870	10,890	9,890
5	Obiagu	23,040	8	15,789	5,980	1098	79	38	56
6	G.R.A	37,240	13	23,151	6,856	2,980	2,450	1,094	709
7	Uwani	19,600	7	13,784	2,879	1,957	823	90	67
	Total	284,040	100	151,962	57,136	32,763	17,569	13,249	11,361

Source: researcher's survey, 2014



Source: Researcher's survey, 2014.

**Figure 2.** Origin and types of tourists' or persons that spent night in the hotels in 2013

**Table 3.** Hotel standards and catalogue of characteristics

Hotel star	Excerpt of the catalogue of criteria
*(One star) (Tourist)	<ul style="list-style-type: none"> <li>▪ 100% of the rooms with shower/ WC or bath tub/WC</li> <li>▪ Daily room cleaning</li> <li>▪ 100% of the rooms with colour-TV together with remote control</li> <li>▪ Table and chair in the rooms</li> <li>▪ Soap or body wash</li> <li>▪ Reception service</li> <li>▪ Facsimile at the reception</li> <li>▪ Publicly available telephone for guests</li> <li>▪ Extended breakfast</li> <li>▪ Beverage offer in the hotel</li> <li>▪ Deposit possibility</li> </ul>
** (Two star) (standard)	<ul style="list-style-type: none"> <li>▪ In addition to the single star hotels(Tourist):</li> <li>▪ Breakfast buffet</li> <li>▪ Reading light next to the bed</li> <li>▪ Bath essence or shower gel</li> <li>▪ Bath towels</li> <li>▪ Linen shelves</li> <li>▪ Offer of sanitary products (eg. Toothbrush, toothpaste, shaving kits)</li> <li>▪ Credit cards</li> </ul>
*** (Three star) (Comfort)	<ul style="list-style-type: none"> <li>▪ In addition to the double star hotels: (swimming pool, Gym hall, parking facilities)</li> <li>▪ Reception opened 14 hours, accessible by phone 24 hours from inside and outside</li> <li>▪ Bilingual staffs (eg. French and English)</li> <li>▪ Beverage offer in the room or in the public area</li> <li>▪ Heating facility in the bathroom, hair-dryer, cleansing tissue</li> <li>▪ Dressing mirror, place to put the luggage/suit case</li> <li>▪ Sewing kits, shoe polish utensils, laundry and ironing services</li> <li>▪ Additional blanket on demand</li> <li>▪ Systematic complaint management system</li> </ul>
**** (Four star) (First class)	<ul style="list-style-type: none"> <li>▪ In addition to the three star hotels: (swimming pool, Gym hall, parking facilities)</li> <li>▪ Reception opened 18 hours, accessible by phone 24 hours from inside and outside</li> <li>▪ Lobby with seats and beverage service</li> <li>▪ Breakfast buffet or breakfast menu card via room service</li> <li>▪ Mini-bar or 24 hour beverages via room service</li> <li>▪ Upholstered chair/couch with side table</li> <li>▪ Bath robe and slippers on demand</li> <li>▪ Cosmetics products (eg shower cap, nail file, cotton swabs, vanity mirror, tray of a large scale in the bathroom</li> <li>▪ Internet access and internet terminal and 24 hour restaurant service via room service</li> </ul>
***** (Five star) (Luxury)	<ul style="list-style-type: none"> <li>▪ In addition to the four star hotels (first class): (swimming pool, Gymnastic hall, parking facilities and a business center via room service for E-mail, fax, photocopy and printing services)</li> <li>▪ Reception opened 24 hours, multi-lingual staff</li> <li>▪ Door-man or valet parking</li> <li>▪ Concierge, page boy</li> <li>▪ Spacious reception hall with several seats and beverage service</li> <li>▪ Personalized greeting for each guests with fresh flower or gift in the room</li> <li>▪ Mini-bar and food beverage offer via room service during 24 hour stay</li> <li>▪ Personal care products in flacons</li> <li>▪ Internet-PC in the room</li> <li>▪ Safe in the room</li> <li>▪ Ironing service (return within one hour), shoe polish service</li> <li>▪ Turndown service every evening</li> </ul>

### Hotel inventory and classification in Enugu city

Although, different international classification exists, this study would adopt the Great Britain standards of hotel classification where hotels are rated from one star to five stars. Table 3 shows the characteristics of the classification of the hotels according to their services and facilities as adopted for the purpose of this study as adopted for this study while table 3 shows the number of available hotels in the city with their percentage-change and table 4 shows their classification statuses.

Information on table 4 shows that there have been significant increases in the number of hotels in Enugu city with Independence layout and Abakpa recording 24% and 22% of change respectively while New Heaven, Obiagu,

G.R.A and Uwani recorded 11% each and Trans-Ekulu recorded 7% of the changes. It shows that there was 47% increment in hotels in the city between 2010 and 2014.

Information on table 5 shows that three star hotels are mostly available within the well planned (central) area of the city like, Trans-Ekulu, G.R.A, Independence Layout and New Heaven with Independence layout recording the highest number of 5 of the available 12 three star hotels in the city followed by Trans-Ekulu, New heaven and G.R.A with 2 each and one in Abakpa. It was also realized that clustered areas like Obiagu, Abakpa, and Uwani had mostly one star hotels located within the area.

Direct impact of the hotels through job creation was assessed and result presented in table 6 and table 7.

**Table 4.** Number of hotels in Enugu city

S/N	Area	No. of hotels *(2010)	No. of hotels **(2014)	Difference in number
1	Abakpa	10	22	12
2	Trans-Ekulu	8	12	4
3	New heaven	8	14	6
4	Independence Layout	12	25	13
5	Obiagu	8	16	8
6	G.R.A	6	12	6
7	Uwani	10	16	6
	Total	62	117	55

Source: \*ODI (2010), \*Researcher's field survey, 2014

**Table 5.** Classification of hotels in Enugu city

S/N	Area	One star	Two star	Three star	Four Star	Five star	Total
1	Abakpa	18	3	1	0	0	22
2	Trans-Ekulu	8	2	2	0	0	12
3	New heaven	9	3	2	0	0	14
4	Independence Layout	10	10	5	0	0	25
5	Obiagu	15	1	0	0	0	16
6	G.R.A	8	2	2	0	0	12
7	Uwani	14	2	0	0	0	16
	Total	82	23	12	0	0	117

**Table 6.** Employment structure of hotels in the city

S/N	Area	Manager	Chef	Steward	Security	Driver	Total
1	Abakpa	22	22	156	60	20	280
2	Trans-Ekulu	12	12	390	30	12	456
3	New heaven	14	14	455	22	16	521
4	Independence Layout	25	25	517	40	36	643
5	Obiagu	16	16	83	20	16	151
6	G.R.A	12	12	387	20	18	449
7	Uwani	16	16	134	22	20	208
8	Total	117	117	2,122	214	138	2,708

Source: Researcher's field survey, 2014

Information on table 6 shows that stewards were granted more employment in the hotel industry in the city with the highest number of employment of 2,122 while the security unit was next with 214 workers, drivers were 138 in number and managers and chefs were 117 workers each. It was further discovered that the bulk of the industry's work was being dependent on the stewards.

Information on table 7 shows that the hotel industry contributes N42,736,260 (forty two million, seven hundred and thirty-six thousand, two hundred and sixty naira monthly to the local residents who are employed in the hotels within the city. From this amount, N28,842,860 is paid monthly to workers in the industry who work as stewards, N5,394,150 is spent for monthly salaries of managers, N4,652,020 for monthly salaries of chefs, N2,285,400 to security staffs while N1,561,830 is paid monthly to drivers working in hotels within the city.

Apart from the direct impacts the hotel industry has on the economy of the state through employees' salaries and tax to government, it also has multiplier effect or indirect impacts

on other sectors as shown in figure 3.

Information on figure 3 shows that irrespective of the direct impacts of the hotel industry, it also has over-bearing indirect impacts on the economy of the residents and the state through its multiplier and trickle-down effects on other supporting sectors as shown in figure 3.

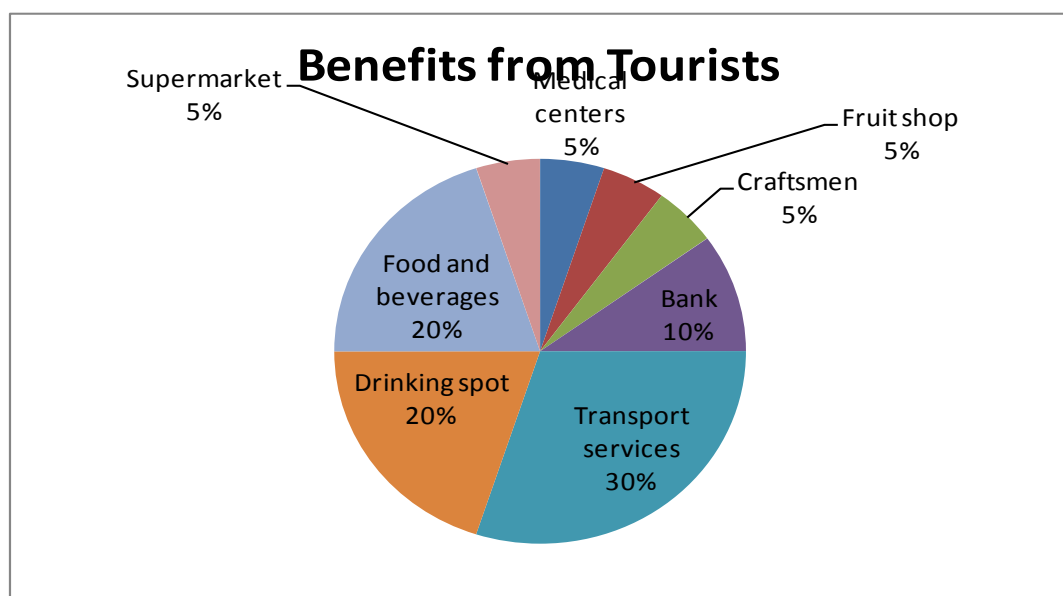
In a bid to further examine the economic implication of hotels to the local people in the area, the sex differentials of workers in the hotels was investigated as presented in table 8.

Information on Table 8 shows that there has been an increase in the work-force of the hotels in the city from a total of 1,078 in 2010 to 2,708 in 2014. It further shows that the population of female workers in hotels in Enugu city is more than that of the male by 56 percent to 44 percent respectively with the population of workers in the hotels location within the central area of the city like; Trans-Ekulu, Independence layout, New heaven and G.R.A numbering more than the population of workers in the less planned areas like; Abakpa, Obiagu and Uwani. A total of 2,708 workers were recorded to be employed by hotels in the city.

**Table 7.** Estimated total monthly salary of staffs in hotels in the city

S/N	Area	Manager	Chef	Steward	Security	Driver	Total
1	Abakpa	880,400	655,200	1,272,400	610,300	202,100	3,620,400
2	Trans-Ekulu	540,500	530,600	4,580,400	310,300	120,100	6,081,900
3	New heaven	842,100	710,100	6,825,000	224,600	220,100	8,821,900
4	Independence Layout	1,550,200	1,375,000	7,755,100	480,000	432,700	11,593,000
5	Obiagu	470,400	480,000	996,000	200,000	150,430	2,296,830
6	G.R.A	470,200	421,000	5,805,560	240,000	216,300	7,153,060
7	Uwani	640,350	480,120	1,608,400	220,200	220,100	3,169,170
8	Total	5,394,150	4,652,020	28,842,860	2,285,400	1,561,830	42,736,260

Source: Researcher's field survey, 2014



Source: Researcher's field survey, 2014.

**Figure 3.** Impacts of hotels on other sectors in Enugu city



**Table 8.** Sex differential of hotel Employment in the city

S/N	Area	Total workers (2010)	Male workers (2014)	% of Male (2014)	Female workers (2014)	% of female (2014)	Total (2014)
1	Abakpa	108	120	43	160	57	280
2	Trans-Ekulu	168	198	43	258	57	456
3	New Heaven	212	221	42	300	58	521
4	Independence layout	280	295	46	348	54	643
5	Obiagu	88	68	45	83	55	151
6	G.R.A	120	201	45	248	55	449
7	Uwani	102	82	39	126	61	208
	Total	1078	1185	44	1523	56	2708

Source: Researcher's field survey, 2014

**Table 9.** Direct impacts of hotels and tax paid by the hotels in 2013 in Enugu city

S/N	Hotel location	No. of hotels	No. of staffs	Total monthly salaries (₦)	% of total salary	Total annual tax (₦)	% of total tax
1	Abakpa	22	280	3,620,400	9	2,100,000	10
2	Trans-Ekulu	12	456	6,081,900	14	3,200,000	15
3	New Heaven	14	521	8,821,900	21	3,500,000	16
4	Independence Layout	25	643	11,593,000	27	6,760,000	31
5	Obiagu	16	151	2,296,830	5	1,539,000	7
6	G.R.A	12	449	7,153,060	17	2,800,500	13
7	Uwani	16	208	3,169,170	7	1,750,000	8
	Total	117	2708	42,736,260	100	21,649,500	100

Researcher's field survey, 2014

In trying to investigate the multiplier effect of tourism on the economy of the people and the state through hotel development in the city, table 5 shows the recorded number of tourists that patronize the hotel and their origin.

In trying to investigate the direct and indirect impact of hotels development to the people and government of Enugu state, Table 7 has shown an estimated total wages paid to workers in the hotels while table 9 will present the estimated total tax paid to government by the hotels in the city.

Table 9 revealed that a total of N42,736,260.00 (forty-two million, seven hundred and thirty-six thousand, two hundred and sixty naira) was being paid to workers in hotels within the city as monthly salaries as earlier reported on table 7 and that an estimated total of N21,649,500.00 was being generated from the hotels in the city to the state government in 2013 as annual revenue (tax) showing a significant impact on the economy of the people and the state.

## 4. Discussion of Findings

### Impact of hotels on the economic development of the people

Information on Table 8 shows that there was an increment in the number of staffs employed in the hotels between 2010 and 2014 with the majority of the staffs being casual workers

and at the steward cadre and the females being more in number than their male counterpart. It was also discovered that the hotel industry had directly and indirectly impacted on the economy of residents and the state. It provided job opportunities for the local residents and also provided opportunities for the people to enhance their economy through participation in tourism related activities. The outcome of the interview sessions show that the hotel industry had also contributed indirectly to the growth of the local economy by supporting local suppliers of goods and services; and ensured the growth of tourism support business outfits such as tour operators, transport sector, restaurants, arts and craftsmen, super markets, fruit sellers, drinking spots etc.

### Impact of hotels on the economic development of the state

Information on Table 9 shows that the hotel industry has contributed positively in the economic growth of the state with its direct contribution through salaries and tax which has seen it contribute the sum of N42,736,260.00 as monthly salaries to all staffs working in the hotels in the city and a sum of N21,649,500.00 as tax to the state government with an over-bearing indirect impacts on the economy of the state through its multiplier effect on the support facilities like the food and beverages centers, restaurants, drinking spots,

medical centers, pharmacy, super markets, banks, arts and craftsmen and the transporters. This has shown that the industry has both directly and indirectly impacted positively to the economy of the residents and the state in general.

## 5. Conclusions and Recommendations

It was observed that the hotel industry in Enugu city has provided a variety of benefits to the local economy. It was discovered that the industry had both direct and indirect impact on the local economy. The direct impacts involved benefits through salaries to staffs and tax to the state government while the indirect impacts involved its contribution to the supporting industries like the transport sector, restaurants, food and beverages outfits, local craftsmen, farmers, super markets, fruit sellers, drinking spot etc. Although it was also noticed that most of the hotels in the city are poorly equipped and that most of the patronage came from local residents who are based in the state. In the foregoing, the study has shown clearly that people were involved in numerous economic activities which comprises of both tourism related and non-tourism jobs. It was also observed that in examining the level of the people's involvement in tourism related activities, it was realized that there exist a significant difference in the number of people involved in tourism and non-tourism related activities. It was also observed that there was steady increase in the available number of hotels over the years showing that there was a significant advancement in the hotel industry. In terms of patronage, the study showed that there was a steady increase in tourists' arrivals in the area with the largest number of the hotel customer coming from within Enugu, followed by those who came from outside Enugu, then those who came from within other African Countries and the least in this category was recorded by customers who came from Asian Countries. In conclusion, it was also observed that the employment structure of these hotels within the study area was dynamic in nature with the higher paid technical staffs recording fewer staff while the lowly paid staffs recorded more number of employment rate, clearly showing an evidence of the seasonality nature of the hotel and tourism industry. Based on these findings, I here recommend that the standard of the hotels in-terms of services and facilities be improved and that government and private stake-holders should organize or host events that will attract foreigners and visitors to the state to improve the level of patronage of the tourism facilities and henceforth enhance the influx of foreign exchange which will therefore improve the economy of individuals and the State in general.

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