

Episode 002 - The safari business, setting up your own private island and dealing with African governments

This is the Destination Entrepreneurs Podcast with Hugh Whalan, session number two.

Welcome to the Destination Entrepreneurs Podcast where we share the stories of everyday people who ditch their 9-5 life to set up profitable businesses in exotic locations around the globe. Now, here is your host Hugh Whalan.

HUGH: I'm very excited to be here today for another episode of Destination Entrepreneurs. A wildlife researcher turned entrepreneur, we have with us today Malcolm Ryan, who runs a safari company in East Africa as well a private island. It's a tough gig but somebody's got to do it, and Malcolm Ryan seems well suited for the job. The story of how he got there though is anything but normal. Let's join Malcolm Ryan as he explains how he started working in Tanzania.

MALCOLM: I grew in Milan, where I studied biology. When I was around 23, I was actually halfway through my university career, there was an advertisement at the university where they were looking for a student to do their master's thesis on migration of wildebeest and zebra in Tanzania. So I straightaway replied and I was taken, and that's how I arrived in Tanzania in '95. I actually was still a student but for many years I carried on research while I was still a student.

HUGH: Where did you live In Tanzania?

MALCOLM: At a national park in northern Tanzania. For seven years I was there and initially I started migration of wildebeest and zebra to look for corridors outside the parks and dispersal areas, and that was the subject of my thesis. Then in '96, '97 we actually changed with another job on migration and route of movement for elephants. We actually first walked all around the boundary of the park to identify the biggest elephant track, we followed them on foot as much as we could, and in this way we identified which was the main direction of movement outside the park, and based on that we put five GPS radio collars, and we actually discovered there some very interesting things.

We actually could confirm which were the routes that were still in place, because obviously since historical times, since the '60s, big animals could move all around the national parks and more or less throughout the country. But as human development and things changed, not all those routes were still open, many had been closed by encroachment of settlements. But there was a very interesting discovery that some big type of the elephants of the park actually moved south and very far out, over 300 kilometers away from the park. So this gave an idea of how important it is also to conserve area outside national parks. Animals don't only live within the boundary of parks, they move. Luckily Tanzania has a policy of not fencing any national parks, and in this way animals can still roam throughout the country.

HUGH: A lot of the people listening will just love the idea of following large animals around national parks for extended periods of time, people pay a lot of money to do that, but you got to do it for years. I imagine there were some challenges though?

MALCOLM: It was a very good life to be honest. Yeah, the challenges of course. You live in the bush, you have to deal with that, but that's pretty much the easy part and fun part. Of course what season, you get stuck, you don't get communication, you eat bananas every day, since then I don't eat bananas anymore. Especially after that we started working on lions and for five we started a population of lions. You go out all day and you don't really cook food, so you just bring bananas. So now I can't stand bananas anymore. [laughter]

HUGH: Did any of those animals ever attack you?

MALCOLM: No, no. Well, we have a few charges but nothing serious, we're still all alive.

HUGH: Yeah, I've watched too much [National Geographic](#) obviously.

MALCOLM: Yeah, if we start a conversation on what's on air on National Geographic recently I have to say all of this sensationalism is actually very counterproductive, and it gives a very wrong feeling and wrong perspective of what animal behavior is like. Animals don't do anything to you. You don't bother them, they don't bother you. So it's a very big misinterpretation carried out by sensationalism.

HUGH: It sure does make for good TV though.

MALCOLM: Yeah, I think that is to sell, but it will be better to actually have some more educational programs to understand that we live in their environment, and not vice versa, and that truly they don't really harm you. You have to do something stupid, you have to make a mistake to be charged.

HUGH: So as a lover of animals and an observer of animals, you transitioned from a researcher into to tourism. Explain why you made that transition?

MALCOLM: When I turned 30 I thought the salary was quite important in life, even a small one is better than nothing. So basically I gave up research because funds were very limited, so we've always been working on the basis of our cost recover but not really a salary. And then at the end after five years on the lion project, we were quite broke. Some other organization came in and I actually didn't have the same ideas on how their research should have been carried out, so I just left the project and started working in tourism.

What I really always liked was to live in the bush and live with animals. Also tourism is something that can give you a very good opportunity to do that, and very often you can actually do more conservation through tourism than research. We've been producing so many big papers, so many big volumes of papers and reports, but very often they stay secret and they sit on somebody's desk and they're never applied. On the other hand, there are many cases whereby with tourism you can actually do it, do the real conservation.

HUGH: Yeah, you've put an interesting perspective on this that I find fascinating, because tourism gets a bad rap in a lot of countries because it's seen as encroaching on areas where animals are and it displaces x and y animals. But the way that the company you work with deals with tourism achieves a very different outcome?

MALCOLM: I think of course it can be a debate on whether tourism— As long as there is a sustainable way of doing tourism, which means you're not building skyscrapers and keeping things small, actually tourism is probably one of the best ways for conservation. We have a series of small tented camps in various national parks in the country, a series of small hotels or little camps on the beach, on islands, and in this way on the one side

we have eyes. As you know poaching is one of the big issues that is threatening wildlife in Tanzania, but more or less everywhere in the world. Having people actually looking and going around already it's a first big step towards keeping the animals safe.

On the other hand we have to live in reality, and as a matter of fact countries need money. And if you look at to how a country like Tanzania can justify to have 30% of its territory under some kind of protection? People need development, people need a way of living and a way of surviving, so there is basically very few options, one is to cultivate, which is the biggest damage to wildlife and conservation, the other one is poaching, which is also as bad. And the other possibility is getting a job through wildlife. Wildlife in countries like Tanzania and Africa in general is actually the biggest resource, the biggest sustainable resource that can really push the country through a new way of development. Keeping its own resources, rather than-- In the western world we've general done quite a lot of damage and now we're trying to go back and repair. But here there are no other continent has as much wildlife as Africa, and Tanzania in particular is one of the best countries for wildlife in Africa. And through tourism I think is the way to actually keep it alive and keep it for ever and ever, for next generations.

HUGH: Because a lot of countries in Africa and developing countries in general tend to focus on primary resources like mineral extraction, but you definitely think tourism is a better way forward?

MALCOLM: Far better. It's quite interesting actually, this year the revenue from tourism was higher than the revenue from gold. And it's very often not considered, we always look at the very short-term perspective. This kind of utilization of – if you want to call it natural resources such as gold or gas – it's not really sustainable in the long-term. It can give a kick to the country in terms of cash quick money, but it's going to finish, it cannot last forever. And it only creates industries about it doesn't employ that many people, whereas tourism in Tanzania is second only to agriculture, obviously most of the people are surviving on small-scale agriculture. Second is tourism, so in terms of employment, in terms of sustainability and long-term sustainability, it's far far better resource to look at. And if you do it sustainably, we can only increase, we can only get more tourism, more tourists visiting the country. Of course you don't want to have millions of millions and end up destroying the country, but the way that Tanzania is developing with a concept of generally having small scattered tented camps, that's ideal, that's actually the best way to develop the industry as well as to conserve and protect the environment. So tourism is not always understood by the politicians actually, most of the time it's not, but using a bit of logic is quite obvious.

HUGH: So the company that you run obviously sees big opportunities throughout East Africa, because you exist in more countries than only Tanzania. If there are people listening who might be interested in tourism in East Africa, where should they be looking?

MALCOLM: We work of course mainly in Tanzania, our core work is in Tanzania, but we also do connect with Rwanda, with Uganda, with Mozambique. I would say that Tanzania in a way has its own, in the sense that in the northern part of the country are the unique great migration of the wildebeest where over a million animals move around between Serengeti, Masai Mara and Ngorongoro. Then we have the southern parts that are not as touristic as the northern circuit, they're much wilder, but still with the same game. Tanzania is second only to Botswana in terms of numbers of elephants. We have great beaches. So Tanzania more or less has its own.

Of course there are other incredible and beautiful environments in Africa, like the Virunga in Rwanda where you have the mountain gorilla, and that's where we also connect, with Uganda where also you have mountain gorillas, down south Mozambique, where there are some beautiful islands and coral reefs, which we also do have in Tanzania, particularly we work on an island called [Fanjove, a private island in southern Tanzania](#), which is almost on the border with Mozambique, so it's the same kind of ecosystem.

But generally, yeah, all East Africa is quite unique and surely has the biggest amount of wildlife I would say in the world. Tanzania actually came second in the world just after Brazil for biodiversity. If you consider the size of Brazil, it's huge, so obviously they have the Amazon forest, the biodiversity is unique and it is the biggest in terms of numbers of species. Second country in the world is Tanzania, and we have all the big animals, those that are more commonly looked at.

HUGH: So what are the specific challenges of setting up a tourism business in East Africa, specifically Tanzania?

MALCOLM: Generally the bureaucratic procedure is pretty complex, it's pretty lengthy and difficult. To that I would say the biggest challenge is the bureaucratic procedure. Of course you need a lot of paper, that's fair enough, but the same papers in the western world can take a few weeks, in Africa it can take a few months or sometimes a few years. So that's the biggest challenge I would say.

HUGH: And that's probably the biggest barrier to entry, right?

MALCOLM: For sure, for sure. But that is quite recognized by the organizations, the associations that work in the tourism industry, the challenge with the government. To make the government understand that things must be easy and simple, the more complicated they are, the less people will actually be attracted to invest in the country.

HUGH: Let's talk about as a specific example of Fanjove island, which you spent a decent amount of time getting up and running.

MALCOLM: Yes, Fanjove Private Island is a project that started eight years ago. I actually had letters from the district council saying that we were authorized to start a small touristic camp on the island, and I was like, Wow, we got it! It took six years since then before we actually really could manage to start building our huts on the islands. So, yes, from the district we went to the village, from the village back to the district – the village was actually very happy from day one, they said yes let's go ahead – then the district, then the region, then the ministry, it's a kind of Ping-Pong going back and forth.

HUGH: Can you go over the impact that your resort has on that island?

MALCOLM: When we agreed with the community we are leasing the islands from the main— it's an archipelago of five islands, Songosongo is the biggest with approximately six thousand people. And then there are four other very small islands within the archipelago. We lease one from the communities for 30 years, we pay an annual rent, last we paid 3% of our income to the community for social development. In our agreement we actually said that 50% of the coral reef, which is 11 kilometers long, is set aside for non-consumptive utilization, which basically means no fishing, or there is no diving.

I usually do not want to stop the fishing activities throughout the archipelago and on our reef, because if done sustainably there is no problem. To utilize the resources to make a

living is more than fair. The big problem is when it becomes too commercial, and particularly in Tanzania dynamite fishing is a huge devastating issue, which is illegal, but especially in an area like Songosongo there is no police, there is control, so it becomes a serious issue. Since we've been there, of course we have been patrolling the reef and we have pushed the illegal fishermen out of that area at least. So we are seeing since we have started on the island the amount of corals and fish has increased incredibly. And what is incredible is also how quick it has come back.

So for sure we had a very positive impact in terms of conservation. We had seven nests of green turtle last year, fish on the islands on the beach is plentiful, along the coral reef as well. Thousands of migrant birds are actually using the islands from November to March, and so it has definitely had a very positive effect on the conservation of the ecosystem. And it only took six years to manage and to actually be able to start.

HUGH: To be clear, you couldn't have done it if you were out of the country, you need to be in the country and consistently getting in front of people to get the progress you want?

MALCOLM: I would say so. Let's say Fanjove was surely one of the difficult projects because Tanzania did not have a policy on investment on islands. So of course the bureaucratic procedures became more complex. For other projects it might be easier, though still if you don't really know how things work in Africa, it can be a little bit scary, and it can be quite difficult. So you have to know a little bit the procedures and how things work here.

HUGH: And that's probably a little more complicated than just hiring the right law firm or the lobbyist, how would you advise somebody who wants to get into Tanzania, into the tourism industry, to start going about it?

MALCOLM: First come and see the country, first spend the same time here, first understand how things work, maybe as an employee. Or of course then there are bigger companies which might have more experience and it might be easier if you have set already similar kinds of activities in other third world countries. But probably the best is to come and see, come and understand how things work, and come and understand the politics of things.

Also the interaction with the communities, the villages. The people are very nice but you have to understand how to deal with people, it's a different way of dealing than in the western world. We had several meetings with a village in Fanjove, which are beautiful, they are amazing, they're on the beach and the coconut trees, and you put these plastic chairs on the sand and all the big shots of the islands are present, all the men on one side the women other side, it's all very beautiful and it's all very interesting and it's good fun. But you have to understand how to approach and how to interact with people. It's not the typical western approach where you meet someone in an office and you clear everything in two hours' meeting. No these meetings go on days and days and it's a different approach.

HUGH: So it's taken eight years from the time you started to have the island where you have it today. You also had some interesting experiences with one of your projects in a national park?

MALCOLM: Yeah, we have one camp, [Mdonya Old River Camp](#) in [Ruaha National Park](#), we've been working there ten years now, and one these issues that we were saying before that can a bit difficult to understand, we still don't have a lease agreement with the national

park. It is in process, takes years, but we're there, we're working. We do have of course permission letters from national parks but no proper lease agreement. So obviously it become more difficult for investors to understand how the mechanism works.

HUGH: Yeah. And certainly I can imagine banks wouldn't be interested in lending you money without a lease?

MALCOLM: Well, it's funny, sometimes we have other projects where—almost all our projects actually are financed by banks, and they always ask how for lease agreements of other projects. And we don't have for all, actually it is only this one in Ruaha the particular one that the lease agreement was not signed yet. It's been discussed for five years now [laughter]. So it's not that it's not there. It's still under discussion process.

HUGH: Can you explain a little bit for the listeners why it takes five years to finish a lease?

MALCOLM: It is not only our company, it's actually many companies within the national parks whereby a certain agreement was signed and agreed and then it was changed by the authorities, so actually we didn't agree because we had a signed agreement. So now we are still discussing on the amendments and on the validity of which is which and what is what. But we all operate, it is all legal and it is all agreed upon parties, but of course from a different perspective it can look a bit strange.

HUGH: Certainly contracts mean slightly different things in African countries. I certainly know from my experience in Ghana. How often do you have issues with a contract that is very clear but the other party decides that it no longer applies to them?

MALCOLM: To be honest, not really, we never had a particularly bad experience as such. Though I do know of many investors, particularly in [Zanzibar](#) who had made contracts and then they were not respected. So generally of course you can still go to magistrates and just to approach them takes longer, years pass. The fact things are not fast and not straight can be a deterrent.

HUGH: So it really does sound like this success of the company that you run – you've partly got great people – but it's partly because you've been around for long enough that you know what's going on?

MALCOLM: Yeah, I would say both the things. Of course having the experience of living here since long, now I've been 18 years here, but the owner of the company's been here 45 years, and so obviously that is everything. The more experience you have in a certain environment, the easier it is. Probably it would be a disaster if I was going to invest in the US [chuckles].

HUGH: I'll approach this question from a different angle, let's say somebody's traveled to Tanzania three times and they've spent six months there in total, and they love the country, they've got some local contacts, they want to start a tourism business, how they go about doing it so it doesn't take six years to get their first project up?

MALCOLM: Probably the best way is to go for easier projects. Ours, particularly Fanjove being the first one of its kind, was particularly lengthy. National parks have bits for sites, so applying to those bits can be surely the best, the easiest way. Easiest is to work with national parks authorities, then once you go with the communities of course there are various stages, you increase the stages so you need to agree with community, with district, with region, with wildlife authority, so the more people involved the more

complex the project becomes. I would suggest for looking at wildlife based tourism activities, looking at bits for national parks sites. On the beach it becomes more complex. Zanzibar is now pretty developed, Tanzania has over a thousand kilometers of coastline and the potentiality is incredible. But again the procedures are lengthy so it becomes a little bit difficult. But study a lot, meet a lot of government people and villages and districts, and yeah have a good lawyer [chuckles].

HUGH: Can foreigners own land in Tanzania?

MALCOLM: Not directly, you can potentially loan own land through TIC, which is [Tanzanian Investment Center](#). Actually that's something I had forgotten, but a good way if you start a business is to go to the Tanzanian Investment Center and ask for help or for advice. And through TIC it is possible for projects to own land. And as a individuals, no. Though there is always a lease of maximum 99 years, that you know is long enough.

HUGH: You mentioned that a number of your projects are supported by banks, I'm interested in that, because I'm assuming they're local banks. How hard is it to get a bank to support a project, and could somebody who is new Tanzania or relatively new with a good idea, could they get bank support locally?

MALCOLM: I imagine yes, I imagine yes. Of it depends on how good your business plan looks like to the banks. But generally of course banks are interested in supporting projects. So I would assume it doesn't really matter whether you're based here or not, but as far as your project is good and you have credentials I cannot see why not.

HUGH: And they're probably quite used to tourism projects?

MALCOLM: Yes, of course, yes.

HUGH: And how much capital would somebody need to set up a small tent camp in a national part, for example?

MALCOLM: It depends on which kind of structure you want to put, but generally we would say between three and four hundred thousand US dollars for the equipment.

HUGH: What kind of equipment do you buy?

MALCOLM: Tents, vehicles, Land Rovers, or vehicles – it depends, everybody can choose their own brand – but we particularly use Land Rovers. Tents, of course building staff quarters, infrastructure, sewerage system. Even though it looks like you only have tents and it looks like this relatively not particularly expensive, but in the end you also have to set up a series of pipelines of waste water and so it adds up, and at the end I think three to four hundred thousand dollars is more or less the minimal amount you need for twelve tents or something like that.

There are other options, there are a lot of mobile camps, which are probably a cheaper investment. Since you're mobile you do not need the same fixing that you would need with a permanent camp. So there are various options. You can even start very small with a few tents and a Land Rover and take your guests around. So it depends which degree of investment, which kind of investment you would like to do.

HUGH: And if somebody did really well with their timing and they met the right people, how long would it take them to get the necessary permits to set up a small tent camp?

MALCOLM: I would say at least one year, at least. First you need to get the site, second you need to do an environmental impact assessment, and that in theory should take six months, but more or less it takes a years. And that is your benchmark. After that you have to build. So realistically from day one to opening it would take one and half to two years, if you do a fixed structure. Obviously if you do something smaller with a mobile camp, that can be much easier.

HUGH: So you mentioned the Tanzanian Investment Center, are there any other resources that are useful for people who are interested in this industry?

MALCOLM: I would say Tanzanian Investment Center is definitely to consult, depending on where you are looking at and which type of investment you want to do. Obviously within a national park you have to consult, within game reserve it's Wildlife Division, Ngorongoro has [Ngorongoro Conservation Authority](#). So depending on the location you will have to deal with different institutions. But TIC can be a good introduction and can actually explain to you how things work.

HUGH: And I find that expats are often the best source of information, is there a tourist association or a Tanzanian expat association that people could look up?

MALCOLM: There are several associations within the tourism industry, which are not actually expatriates, they can be anybody in the business. There is HAT, which [Hotel Association of Tanzania](#), there is TATO, which is [Tanzanian Association of Tour Operators](#), all of them are under TCT, [Tanzania Confederation of Tourism](#). All of these associations can give you help and provide you with information on what are the requirements to invest in the country.

HUGH: Where do most of you customers come from?

MALCOLM: I would say 45% UK, 10% US, the rest is Europe. Americans are not really coming that much to southern Tanzania, they come more to Northern Tanzania. I think that is because of course the northern part of the country is much more famous because of Serengeti and Ngorongoro, the wildebeest migration. Truly they miss out a lot also in the south because it doesn't have the crowd of the north, it has the same animals but the experience is much wilder. Particularly our tourist model is on flying safari, so you actually fly to various national parks. Once you're there our personnel from our camps pick you up at the small airstrip in the middle of the bush, they have the knowledge, a very deep knowledge of all the surrounding areas, the wildlife, the animals, so you can really get a deep experience in the bush and way wilder.

The northern circuit is a bit more touristic and the model is mainly by car, which ends up being one big road for everybody to go up and down. So it is not as fulfilling an experience. I think the flying model particularly for wildlife is surely the best. Also because it allows camps to be spread aside rather than if you go by roads you have to have everything closer and nearer. But as I said American market mainly go in the north because that's what they see on National Geographic.

HUGH: That's where the lions attack [laughs].

MALCOLM: Yes. Actually there is a very very beautiful documentary which is on National Geographic, called the [Lion Battle Zone](#), made by a friend of ours which we actually supported a lot, which is amazing on Ruaha National Park, it's the first documentary on the Ruaha, and it has actually drawn the attention to the southern circuit. And I

definitely advise anybody who is interested in looking at Tanzania to go and search for that documentary because it's really beautiful.

HUGH: Interesting. And do customers find through the website?

MALCOLM: Website and agent. Most is agent I would say. Tourism industry generally works more based on agents, and a smaller percentage is direct customers.

HUGH: So what's next for Malcolm Ryan?

MALCOLM: Well, to go on with these activities I'm actually also loving. Also the Fanjove project is a very beautiful, because it is outside the protected areas. Of course working in national parks is great, and as I said tourism is a means of conservation, it's a way to conserve the area, to give the funds to the parks, to keep the eyes on the area, but it's not as direct as it is when you work outside the protected areas. A place like Fanjove it is directly positively impacting on the ecosystem and conserving. So it does give you a lot of satisfaction. And the objective is to have more and more turtles coming to nest, more and more fish. Probably in the future there are other small islands in the archipelago and it would be very beautiful if they could all be developed in the same way. Not by us, maybe by other people, but as a concept tourism can really give an alternative to communities, alternative to fishing. Obviously not everybody will be employed in tourism, but having a salary you don't have the need to go and fish to sell to Europe, because you consider that a lot of this trade ends up in Europe or America. The octopus is not sold within the country, most of it exported. So having alternative ways of making a living will definitely have a positive impact on the environment.

HUGH: How do people find out more about the company you run, and how do they book a trip if they're interested?

MALCOLM: They can find us on the internet. Our website is www.ed.co.tz. ED stands for Essential Destinations. We're based in Tanzania, we also have a Facebook page, particularly for Fanjove Private Island, and they can write to us at info@ed.co.tz.

HUGH: Wonderful. Are there any other contact details or any other marketing words you'd like to say?

MALCOLM: I think one thing that's important – not only directly through our company – but in general realizing that tourism as I said can be a tool for conservation. So when somebody also chooses where to go, what to do, how to go, to keep an eye open on the various options and who is doing what and how. Of course I'm praising the tourism industry but it's not always that all companies are the same. So I think it is important when you choose your trip also look at where you're going. Try to go to smaller resorts, less impacting, or places that do have in their policy or their own development of their production they do look at caring.

Not only on the environment, for example, we also have another hotel in Zanzibar called [Mtoni Marine](#), just out of Stone Town, and in that case we set up the hotel next to the Salme Palace, the ruins of a Sultan's wife. Why, because through tourism, through the income of tourists we are actually able to restore the history of Zanzibar, to keep the ruins and preserve them. So there are various aspects to which tourism can be connected. Of course Tanzania being mainly a wildlife destination, conservation of wildlife is most important. But also historical sites. The Swahili coast, the East African coast has a long-standing history of trades with the Arab world, with China, with the

West. And so keeping also the history alive through tourism is a very useful way, and it's very important to keep our roots, to keep our history.

HUGH: Interesting. Well Malcolm, I'm going to let you go, but thank you so much for your time.

MALCOLM: Okay, great, okay.

HUGH: Bye-bye.

And that wraps up the second Destination Entrepreneurs Podcast. What a wonderful guest Malcolm Ryen was. If you're looking for more information on this podcast or any of the links or resources Malcolm mentioned during the podcast, look for the show notes which you'll find at www.hughwhalan.com/podcasts. When you're visiting my blog, don't forget to subscribe to the newsletter, which will give you all the latest tips, podcasts, articles and resources you could ever want.

Thank you for listening to the Destination Entrepreneurs Podcast at www.hughwhalan.com/podcasts. Don't forget to check out www.hughwhalan.com/blog for all the latest tips and advice on setting up shop in an exotic location.