



Horwath HTL

Hotel, Tourism and Leisure

MARKET REPORT

Rwanda

DECEMBER 2018



Rwanda at a glance

Rwanda is a buoyant, forward-looking country with a vision to elevate to a middle income service and knowledge-based economy by 2024. In the last 23 years, Rwanda has taken back the reins to redefine itself as a preferred investment and tourism destination.

Data profile 2017

Population	12.1 Million
Official languages	Kinyarwanda, English, French and Swahili
Literacy/Employment	86.1% /45.0%
Currency	Rwandan Francs (RWF)
GDP (6 years growth)	USD 8.0bn (5.9% p.a) USD 729 per capita

Rwanda has a sustainable high growth economy characterized by stable inflation and steady exchange rates. Its robust governance creates a long term politically stable business friendly environment with ambitious economic reforms and achievements.

Low risk

- 5th safest country worldwide
- 1st safest country in Africa to walk at night
- Lowest debt ratio in the region / stable credit rating
- High level of governance
- #1 government transparency in Africa

Fast growing economy

- 2nd fastest growing economy in Africa - 2nd FDI/GDP
- most improved nation in human development globally

Business friendly and modern

- 2nd for doing business in Africa; 29th in world
- 6hr business registration
- Ranked 1st place to do business in EAC region
- Growing bilingual and educated workforce
- 95% networking coverage
- 4th in global gender equality

Regional platform

- Free trade agreement with approx. 50 countries
- Preferential access to proximity market of 60m
- RwandAir, fastest growing airline in Africa
- 3rd MICE ranking in Africa

Home to rich natural advantage

- Rich raw material availability 17+Agri-in puts
- Highest gorilla population in Virunga Massif

Market size

- East Africa Community: 162 Million People
- COMESA (Common Market of East and Central Africa) 430 Million People
- CEPEGL (Economic Community of Great Lakes Countries): 90 Million People



Rwanda's tourism sector

Tourism is the largest source of foreign exchange earnings in Rwanda and it is projected to grow at a rate of 25% annually. The sector is the biggest contributor to the national export strategy, the total revenues generated from the sector in 2017 alone was \$438 million, constituting almost 50% of all services exports.

Revenue generated from gorilla permits have increased by 14.1 while permits sales slightly rose by 3.5%. Rwanda continues to build and reinforce its position centered on its comparative advantages while solidifying its competitive capabilities. Rwanda is on an upward trajectory that is powered by tourism actors from both public and private sector with combined efforts to see Rwanda become a high end tourism destination.

Rwanda is no longer a newcomer into the tourism scene, it has paved its own way to becoming a leading eco-tourism and Meetings, Incentives, Conference, Exhibition/Events destination anchored in its conversation values, aspirations and visionary leadership. Rwanda offers high level of security and security (World Economic Forum report 2017) ranked Rwanda at the 9th position in the world and 1st in Africa). Kigali is an exceptionally clean city with little traffic congestion and streamlined visa policies.

In 2017, the majority of the 1.5 million international nonresident arrivals reached Rwanda by land (87%). While 43% came from the EAC region the largest group arrived from other parts of Africa (45%). Business travelers brought in the highest share of overall tourism revenue (33%) followed by Visits (29%) and Holiday travelers (27%). In terms of origin, visitors from the EAC, Europe and the Rest of Africa generated the highest revenue across all categories (25%, 22%, and 21%).

On the conservation front, the re-introduction of lions and rhinos in Akagera National Park has made Rwanda a home for the Big Five game a reality, which makes the country a competitive game viewing destination. Gorilla trekking is often on top of visitor's itinerary, the unique opportunity to see the remaining 1/3 of mountain gorillas in the world in their natural habitat at only \$1,500.

Rwanda is also rich in culture and tradition. The many memorial sites and museums preserved around Rwanda provides a window into the country's history, whereas a number of community based tourism experiences offers a chance to explore Rwanda's rich cultural life



Meetings, Events, Conference & Exhibitions (MICE) Business

Rwanda is currently the fastest growing MICE destination in Africa and the region. It is among the few countries in Africa to have established a dedicated convention bureau, and has experienced some remarkable successes in its short history under the proposition 'Meet in Remarkable Rwanda'. Rwanda is currently ranked 3rd in Africa by the International Congress and Convention Association (ICCA).

ICCA Africa country ranking

Rwanda	2013	21st
Rwanda	2014	13st
Rwanda	2015	7th
Rwanda	2016	3rd

Source: ICCA

The number of delegates attending conferences in Rwanda has increased in the past 10 years - an 83% increase has been registered since the RCB inception in 2014. RCB represents the best interests of Rwanda's MICE industry stakeholders and offers impartial advice, guidance and support to international meeting and event planners through every stage of planning. RCB plays a key strategic role in supporting Government goals for MICE tourism, increasing the country's market share and thus helping drive economic development agendas forward. In 2017 Rwanda hosted 169 conferences.

The total 2017 MICE economic contribution was estimated as USD 41.8 million. Calculations are based on the direct contribution to the GDP through accommodation, meals (not included in accommodation bill), transport within Kigali, shopping, entertainment and others.

From the 12 surveys conducted in 2017 the average daily spend per delegate was established as USD 300 with 4.6 measured as the average length of stay. Only the direct economic contribution is considered for 2017; for 2018 RCB intends to reflect a holistic multiplier effect indicating not only the direct, but also the indirect and induced contribution of the MICE sector to the GDP.

Over 180 international conferences are confirmed to take place in Rwanda this year with USD 74M expected to be generated from MICE activities in 2018.

Notable events hosted this year include:

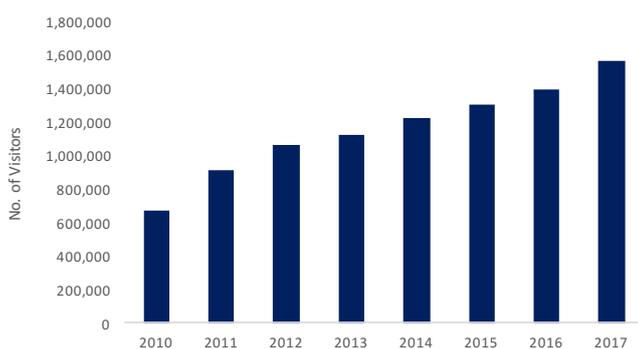
- [Next Einstein Forum](#) - 1,5k delegates
- [Transform Africa Summit](#) - 1,5k delegates
- [Extra Ordinary Africa Union Conference](#) - 3k delegates
- [Africa Green Revolution Forum](#) - 3k delegates
- [Youth Connekt Africa](#) - 1,5k delegates



Ease of Access

In the past two years Kigali International Airport was ranked among the top 10 best airports in Africa based on client feedback surveys, and the 2nd best according to International Aviation Organization standards. This has played a key role in growing access to Rwanda with an annual average traffic of about 1.5 million passengers.

Rwanda visitor Arrivals



Source: RDB Tourism Report 2017

International main airlines connected Rwanda to Europe, Asia, America and Africa being KLM, SN Brussels, Qatar Airways, Turkish Airlines, Ethiopia Airlines, Kenya Airways and RwandAir.

Construction of Bugesera International Airport (commenced in 2017 at an estimated US\$800 million) is aimed at further enhancing Rwanda’s aviation capacity, with the potential to increase the number of carriers and daily flights, and increasing arrivals capacity to 4.5 million passengers annually.

A Rwandan visa can be obtained on arrival for \$30. East African nationals and Democratic Republic of Congo nationals do not require visa to Rwanda. Nationals of Singapore, Hong Kong, Mauritius, and Philippines are exempted from entry visas for a stay of up to 90 days. East Africa single tourist visa grants access to Rwanda, Uganda and Kenya for 90 days at a cost of 100\$.

Kigali is easy to move around, most major attractions, conference venues and hotels are within 15 minutes’ drive from the city center. The easiest means of transport are taxicabs, easily identified by the horizontal yellow stripe on the side of the vehicle and the most adventurous mean of transport around Kigali are motorbikes.

Rwanda’s iconic tourism attractions are in close proximity to the capital city. Excellent internet service and telecommunication keeps you connected through the country and Rwanda being both English and French speaking country is yet another ingredient that makes it very easier for all visitors



Hotel sector

Rwanda hotel industry has for a while been limited to independent local hotel and one or two hotels with a regional brand in Kigali, mainly owned by the private sector. Today, and according to the Rwanda Development Board, the Rwanda hotel supply reaches approximately 486 tourism related accommodation establishment of which about 50% are concerted in Kigali.

The remaining bigger percentage is concentrated in the secondary cities of Rubavu, Huye, Musanze, Karongi and Rwamagana. Rwanda currently has 10,776 accommodation rooms and 57% of these are found in the capital city.

The construction of high-end lodges providing luxury food and services to travelers is Rwanda's achievement. The recently opened lodges in Rwanda include Bisate Lodge's Wilderness Safari, one of the eco-tourism companies is an addition to their collection, the recently opened One & Only, Nyungwe House located in the south-western part of Rwanda nestled in the Nyungwe rainforest and the Mantis Akagera Lodge signify the transformation of Rwanda as an investment destination for high-end tourism products and services. The above compliments the investment of other operators such as Rezidor Hotel Group's Radisson Blu, a five star that launched a Kigali complex in 2016, and a 292-room luxury hotel together with Kigali Convention Center.

Other international hotel brands chose Rwanda as their home include Kigali Marriott Hotel with 254 rooms with a capacity to accommodate over 650 guests, Park Inn by Radisson, City Blue Hotel new property, Epic Hotel in the Eastern Province near Akagera National Park, Swiss International Hotels & Resorts, Marasa, Onomo Hotels as well as Serena Group of Hotels.

From a local front, local and regional investors are also adding their contributions to this vision of building a destination anchored in sustainable and eco-tourism and hospitality practices. Luxury lodges such as Amokoro lodge and Ruzizi Tented Camp in Akagera National Park come into play.

All these international hotel brands are establishing in Rwanda with the aim of grabbing a portion of the regional conferencing pie as the country progressively defined itself, making MICE the base of business tourism. These are contributing to the growth in the number of visitors and conference delegates to Rwanda. The luxury and upper upscale segments clearly put Rwanda in its own league. ADR (inclusive of taxes) are estimated as follows:

- Upscale: 160\$ - 250\$
- Upper Midscale: 100\$ - 150\$
- Midscale: 50\$ - 90\$



Challenges

In as much as the sector has made tremendous progress, the sector still face some challenges such as;

- Low standards of quality and services
- Rwanda is considered an expensive destination
- Insufficient human capacity - Rwanda needs to more trained hospitality professionals
- Limited international air connectivity -the new airport and continued expansion of the national airline is expected to reduce this gap
- Inadequate tourism products especially in and around the capital city

Projects

- Bugesera International Airport, poised to be one of the first green-certified airports in Africa is under construction approximately 40km from Kigali and will accommodate 4.5 million passengers annually. The new airport also presents great opportunities for investors as the new area will require accommodation facilities, housing, entertainment and shopping.
- Construction of Sheraton Hotel Kigali, began in April 2017 – as part of a \$200m [Century Park and Hotel Residences project](#). The 136-room Sheraton Kigali will feature signature Sheraton experiences.
- In the pipeline is [Singita](#), a high-end lodge set to be opened in 2019, near Volcanoes National Park, home of the endangered mountain gorillas.

Prospects

- **Cultural Tourism Infrastructure Project:** [Kigali Cultural Village](#) (KCV) will showcase tourism products to both local and international tourists. The facility will have a conference hall with cinema, theatre, galleries, commercial and business centres.
- **Vacation Village:** The vacation park is a lucrative concept that targets families, singles and groups that enjoy an event-filled and out-door lifestyle.
- **Hotels, Eco-Lodges & Resorts:** potential earmarked sites at Twin Lakes in the north and Kivu Belt in the west, provide an opportunity for investment to develop hotels and lodges, golf courses and hot-spring eco-resorts.
- **Lake Kivu Sport:** The project comprises marinas to be constructed in Rubavu, Karongi and Rusizi. Jetty stations and mini ports in Rutsiro and Nyamasheke will be developed along the lake shores. Regular boat services between these hubs will not only trigger tourism between these centres and along the lake, they will also facilitate domestic tourism and business.

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Ronald holds a BA in Tourism Management from Makerere University, Uganda and Master of Business Administration in hospitality with Marketing from Les Roches International School of Hotel Management, Switzerland. Ronald has over 7 years experience in the tourism sector, working with Rwanda Development Board (RDB), Rwanda Tourism Department, Mount Kenya University and Rwanda Convention Bureau.

Ronald represented both Rwanda Convention Bureau and Rwanda Development Board at international MICE Fairs where he was able to negotiate and win MICE businesses for Rwanda which have greatly contributed to the growth of tourism receipts over the last 4 years.



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Carmen has over 17 years' experience in the hotel and tourism industry in Africa and Europe. Former Regional Coordination for East Africa Tourism Platform and Director General of Burundi National Tourism Office, Carmen is a seasoned tourism policy strategist. She has run tour operation companies in Burundi, Rwanda, Kenya and Uganda as well as managed an international hotel in Tanzania. She has also conducted tourism and hospitality related capacity building training in Uganda and Democratic Republic of Congo (DRC). In the capacity of consultant, Carmen advised governments and non-governments organizations on tourism planning, strategy and business competitiveness in West and Central Africa.

Horwath HTL

Horwath HTL is the world's largest hospitality consulting brand with 45 offices across the world providing expert local knowledge. Since 1915, we have been providing impartial, specialist advice to our clients and are recognized as the founders of the Uniform System of Accounts which subsequently has become the industry standard for hospitality accounting.

Horwath HTL is the global leader in hospitality consulting. We are the industry choice; a global brand providing quality solutions for hotel, tourism & leisure projects. We focus one hundred percent on hotels, tourism and leisure consulting, and globally have successfully completed over 16,000 projects.

Horwath HTL has been accumulating more than 120 references in West and Central African. Horwath HTL has recently provided project management assistance for the planning and development of the two urban poles Lac Rose and Diamniadio to the DGPU (Direction Générale à la Promotion des Pôles Urbains de Diamniadio et du Lac Rose, in partnership with Egis Conseil.

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