



Horwath HTL™

Hotel, Tourism and Leisure Celebrated 100 years in 2015

Special Market Reports

Issue 76 - RWANDA

October 2016

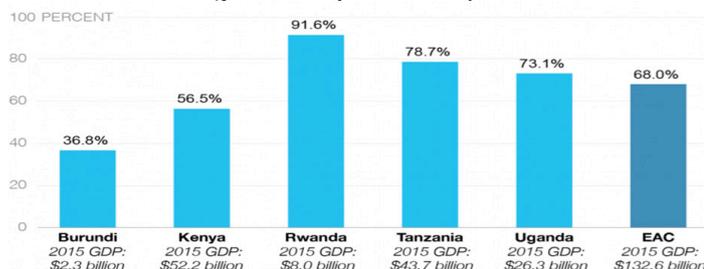
ASSESSMENT OF THE HOTEL MARKET IN RWANDA

Rwanda is the smallest country in the East Africa region it has managed to conquer the news and receive highest appreciation for the economic and social achievements during the last two decades.

With a total population of around 12 Million on a land area of 26,338 km² Rwanda is the highest densed country, landlocked and a member of East African Community EAC which comprises Kenya, Tanzania, Burundi, Uganda and South Sudan. Rwanda is constantly among the top performers on various indicators on the continent; indicators such as economic progress, governance and healthcare featuring at positions fourth, third and sixth, respectively, in the top 3 best places in Africa for doing business.

Rwanda is also listed among the countries with the strongest economic growth worldwide. During the years 2006 – 2015 Rwanda has achieved an average GDP growth of over 5 % which also puts it on top compared to the EAC partner countries.

EAC: Percent Change in GDP (2006-2015)



Note: South Sudan joined the EAC in early September 2016 and is not included here.

Source: IMF. Copyright: Stratfor 2016

The tourism development shows equally tremendous results: During 2010 to 2015 the tourism arrivals nearly doubled with a total number of around 1.3 Million tourist arrivals; 160,000 international arrivals in which 6 countries USA, Canada, UK, Germany, Belgium and India represent 80% of those arrivals. As impressive as those numbers are, it is important to note that EAC countries account for 550,000 arrivals and DRC for another 500,000 tourists arrivals. Regional tourism has the potential to become a booster for tourism in Rwanda. The Rwandan government

is acting accordingly and has launched activities to further expand regional and domestic tourism.

Among the key drivers of tourism the new Kigali Convention Center opened in July 2016 stands out. With a capacity of more than 2.500 it is the most advanced conference center in Africa and has already hosted key events such as World Economic Forum Africa, Global Africa Investment Summit and the African Union Summit with more than 3.000 delegates. In parallel to the opening of KCC, the Radisson Blu and the Marriott hotel have opened their doors in Kigali.

The Rwandan hotel market has also been growing and accounts for around 10,000 rooms. Around 750 rooms are classified as 5* Hotels, 1500 rooms as 4* ; the remaining are in 3*,2*, apartments and others. The opening of Marriott and Radisson Blu Hotels have actually tripled the existing number of rooms in the upscale sector. For the short/medium term this will put pressure on occupancy and daily rates.

However Rwanda is still offering interesting investment opportunities. The MICE sector promises further over average growth, hotels aiming for this sector can benefit with specifically designed products. The Umubano Hotel, a former Laico hotel is still awaiting an investor with a sound concept for renovation and upgrading. Further opportunities will come up with the new Bugesera International Airport. Contract with a Portuguese construction group was signed; works are going to start in 2017. This airport will not only trigger air access to Rwanda it will influence hotel market in Kigali significantly.

For many years hotel business in Kigali was considered to be an easy business; undersupply lead to unsustainable hotel projects. Nowadays a number of hotels are having serious problems and can be classified as distressed properties. An equity investor with a sound experience in hotel management could find interesting opportunities among those properties.

Outside the capital of Kigali Rwanda is offering investment opportunities in different places. Lake Kivu has to be emphasized as it offers a total of 150 km beautiful lakeshore; just a 2 hours drive from Kigali and also close to the Volcanoes National Park it is a tourism asset for both international and domestic tourism markets.

The Eastern Province of Rwanda is hosting the Akagera National Park with around 70,000 visitors a year and is home to around 30 lakes. Lodge developments in newly demarcated tourism investment zones are bearing a promising investment opportunity.

WRITTEN BY:

FRANK MUSTAFF
Managing Director
Horwath HTL Rwanda
email: fmustaff@horwathhtl.com

Frank Mustaff is senior partner of Horwath HTL Rwanda. He is a member of the Association of European Consultants e.V in Berlin and Brussels as well as Member of Board.

Frank has a Master's Degree in Business Administration from the University of Stuttgart and holds a diploma in Economics. He has more than 25 years of management and consulting experience and has been in a variety of management positions.

After graduating from the University of Stuttgart he became project manager at a consultancy with more than 70 employees. In continuation, he was managing director for another German advisory company. In the 1990's he founded the company MC Mustaff Consulting and has been engaged since in EU funded projects. HE co-founded the Horwath HTL office in Germany and disposes over a comprehensive network of contacts.

Frank has extensive working experience in carrying out feasibility studies, sectoral surveys and business plans with a focus on international partnerships and trade development. He is an expert in international collaboration including identification of partners, evaluations of international strategies and programmes, identification and evaluation of projects, preparation of negotiations, promotion of foreign investments, etc. He has extensive knowledge of IOs practices and the private sector networks mainly in ACP countries.

HORWATH HTL RWANDA

Airport Road-Kimihurura, P.O.Box 283
Kigali
Rwanda
+250 788 358 484 +250 788 776 807

www.horwathhtl.com



Hotel, Tourism and Leisure

ASIA PACIFIC

AUCKLAND, NEW ZEALAND
auckland@horwathhtl.com

BANGKOK, THAILAND
ischweder@horwathhtl.com

BEIJING, CHINA
beijing@horwathhtl.com

HONG KONG, SAR
hongkong@horwathhtl.com

JAKARTA, INDONESIA
jakarta@horwathhtl.com

KUALA LUMPUR, MALAYSIA
kl@horwathhtl.com

MUMBAI, INDIA
vthacker@horwathhtl.com

SHANGHAI, CHINA
shanghai@horwathhtl.com

SINGAPORE, SINGAPORE
singapore@horwathhtl.com

SYDNEY, AUSTRALIA
rdewit@horwathhtl.com

TOKYO, JAPAN
tokyo@horwathhtl.com

AFRICA

ABIDJAN, IVORY COAST
cspecht@horwathhtl.com

KIGALI, RWANDA
fmustaff@horwathhtl.com

CAPE TOWN, SOUTH AFRICA
capetown@horwathhtl.com

EUROPE

AMSTERDAM, NETHERLANDS
amsterdam@horwathhtl.com

ANDORRA LA VELLA, ANDORRA
vmarti@horwathhtl.com

BARCELONA, SPAIN
vmarti@horwathhtl.com

BELGRADE, SERBIA
slovreta@horwathhtl.com

BUDAPEST, HUNGARY
mgomola@horwathhtl.com

DUBLIN, IRELAND
ireland@horwathhtl.com

BERLIN, GERMANY
germany@horwathhtl.com

ISTANBUL, TURKEY
merdogdu@horwathhtl.com

LISBON, PORTUGAL
vmarti@horwathhtl.com

LIMASSOL, CYPRUS
cmichaelides@horwathhtl.com

LONDON, UK
eheiberg@horwathhtl.com

MADRID, SPAIN
vmarti@horwathhtl.com

MOSCOW, RUSSIA
mohare@horwathhtl.com

OSLO, NORWAY
oslo@horwathhtl.com

PARIS, FRANCE
pdoizelet@horwathhtl.com

ROME, ITALY
zbac@horwathhtl.com

SALZBURG, AUSTRIA
austria@horwathhtl.com

WARSAW, POLAND
dfutoma@horwathhtl.com

ZAGREB, CROATIA
zagreb@horwathhtl.com

ZUG, SWITZERLAND
hwehrle@horwathhtl.com

LATIN AMERICA

BUENOS AIRES, ARGENTINA
cspinelli@horwathhtl.com

SÃO PAULO, BRAZIL
brazil@horwathhtl.com

MEXICO CITY, MEXICO
mjgutierrez@horwathhtl.com

DOMINICAN REPUBLIC
speralta@horwathhtl.com

SANTIAGO, CHILE
cspinelli@horwathhtl.com

BOGOTA, COLOMBIA
mjgutierrez@horwathhtl.com

MIDDLE EAST

DUBAI, UNITED ARAB EMIRATES
kdrubbel@horwathhtl.com

NORTH AMERICA

ATLANTA, USA
pbreslin@horwathhtl.com

DENVER, USA
jmontgomery@horwathhtl.com

MIAMI, USA
acohan@horwathhtl.com

MONTREAL, CANADA
pgaudet@horwathhtl.com

NEW YORK, USA
pbreslin@horwathhtl.com

TORONTO, CANADA
pgaudet@horwathhtl.com