



# Hospitality Report Africa 2019

3rd edition.

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#JumiaHospitality2019

JUMIA  TRAVEL

# Trends in the Travel & Tourism Sector

## Introduction



- Africa's travel and tourism remains one of the key growth drivers of the continent's economy, **contributing 8.5% (or \$194.2bn) of the GDP in 2018**; from 8.1% and 7.8% in 2017 and 2016 respectively.
- This growth record placed Africa as the **second-fastest growing tourism region in the world, with a growth of 5.6% in 2018** after Asia Pacific and against a 3.9% global average growth rate.
- In 2018, the continent received **67 million international tourist arrivals** (+7% increase), as compared to 63 million in 2017 and 58 million in 2016. Africa received only 5% share of international arrivals in 2017.
- **Morocco and South Africa** were the top tourism destinations, with approximately **11 and 10 million arrivals** per annum respectively.
- **Ethiopia's visa relaxation policies combined with improved connectivity** as a regional transport hub placed the country as Africa's fastest growing travel country, growing by **48.6% in 2018 to be worth \$7.4bn**.
- The travel and tourism sector directly and indirectly provided **employment for about 24.3 million people in 2018**, accounting for approximately **(6.7%) of total employment**.
- In terms of room revenue, it is expected that in the next five years, **Nigeria will be the fastest-growing market with a projected 12% compound annual increase**. It will be followed by **Tanzania and**

**Kenya, with a projection of 8.2% and 7.4% compound annual increases** respectively.

- Leisure remains an important component of Africa's tourism industry, taking up a majority **71% of the tourist expenditure in 2018**.
- Moreover, more governments among them Kenya Rwanda, and South Africa are seen to be driving initiatives towards **diversifying business tourism products through MICE** (meetings, incentives, conferences and exhibitions). However, business expenditure remained at a **staggering 29% in 2018** from 30% in 2017.
- In 2019 there was less **hotel pipeline activity with 75,155 rooms in 401 hotels**; as compared to 2018 which had a pipeline activity of 76,322 rooms in 418 hotels. Sub Saharan Africa recorded the highest pipeline with **45,861 rooms in 276 hotels**, while North Africa had **29,294 rooms in 125 hotels**.
- The decline in the total Hotel Chain Development Pipelines in Africa has been largely attributed to chains **deleting deals that were unlikely to happen and "cleaning" their pipeline** from the previous year.
- While Africa's passenger traffic increased from **88.5 million in 2017 to 92 million in 2018 (+5.5%)**, it's world share was only **2.1% (down from 2.2% in 2017)**. This was attributed to high competition from other regions such as the Asia Pacific. Africa's share is however predicted to **grow by 4.9% annually over the next 20 years**.

# The African Factor

## Contribution to the Economy



### Population



**1.3 Billion**

2019

Africa's population is expected to reach 2.5 Bn by 2050, out of which 1.1 Bn will be part of the middle class

### Number of International Visitors



**67 Million**

2018

**63 Million**

2017

Number of international visitors increased by +7%

### Total Contribution to GDP



**8.5%**

2018

**8.1%**

2017

Africa is the 2nd fastest growing tourism region after Asia-Pacific

### Contribution to total Employment



**6.7%**

2018

**7%**

2017

Supported 24.3 million jobs in 2018 from 22 million in 2017

# The African Factor

## Contribution to the Economy



### Business vs Leisure Spending



**71%**



Leisure Expenditure

**29%**



Business Expenditure

Countries like Kenya & Rwanda are increasingly creating initiatives aimed at growing business travel by promoting their MICE (meetings, incentives, conferences & exhibitions) infrastructure

### International vs Local Spending



**44%**



International Expenditure

**56%**



Domestic Expenditure

International visitors spent a total of USD 58.5 Bn in 2018 (9.6% of total exports)



# The African Factor



## Top African countries for Travel & Tourism (WEF Competitiveness Index 2019)

Ranking	Country	Global Rank	Score
1.	Mauritius	54	4.0
2.	South Africa	61	4.0
3.	Seychelles	62	3.9
4.	Morocco	66	3.9
5.	Namibia	81	3.7
6.	Kenya	82	3.6
7.	Tunisia	85	3.6
8.	Cape Verde	88	3.6
9.	Botswana	92	3.5
10.	Tanzania	95	3.4

**Note:** Measures the set of factors & policies that enable the sustainable development of the T&T sector: Enabling Environment, T&T Policy & Enabling Conditions, Infrastructure, Natural & Cultural Resources. Source: WeForum

# Visa Openness in Africa



## Least restrictive destinations in Africa in 2018

Country	Visa Openness	Country	Visa Openness
1. Mauritius	84.6	11. Djibouti	70.0
2. Benin	74.9	12. Comoros Islands	70.0
3. Rwanda	71.8	13. Madagascar	70.0
4. Guinea-Bissau	71.5	14. Somalia	70.0
5. Togo	71.4	15. Kenya	69.7
6. Cape Verde	71.3	16. Zimbabwe	67.9
7. Uganda	71.1	17. Tunisia	67.4
8. Mozambique	70.8	18. Senegal	66.8
9. Seychelles	70.6	19. Ethiopia	65.1
10. Mauritania	70.4	20. São Tomé e Príncipe	64.7

**Note:** 'Visa Openness' indicates to what extent a destination is facilitating tourism (score range from 0-100). The Openness Index is calculated by summing the percentage of the population affected by no visa, visa on arrival, eVisa and traditional visa. Source: UNWTO

# “The role of governments in growing African travel and tourism industry”

| Sthembiso Dlamini - Acting Chief Executive Officer, South African Tourism



## What is your view on domestic tourism and how can we encourage more Africans to travel within the continent?

- South African Tourism firmly believes in celebrating Africa: its wonderfully diverse cultures, innovative and optimistic people, enchanting and varied landscapes as well as its exceptional history. Tourism allows everyone to tap into the texture of our continent and, thereby, help the continent's celebration. We, therefore, want more and more Africans to travel their continent. It's something to be encouraged. Who wouldn't want to see the spellbinding white sands of the Sahara? Or sip cocktails in Zanzibar as the sun sets? Or learn about the gorillas of Rwanda? Each country has so much to offer. We have so much to learn from each other as Africans through tourism – whether it's for business or leisure. We've so many immersive experiences to share with each other. Intra-Africa tourism is key!

It's gratifying to note that most government leaders on the African continent are now committed to making travel between African countries easier and more affordable. An example is the creation of the East Africa Visa programme that allows travellers to apply for a visa online before visiting Uganda, Rwanda and Kenya. Such collaborations are visionary. It is when we work together, pool our resources, partner and share our best knowledge that we can do much more.

Here in South Africa, in 2018 our government waived Visa requirements for Angolans wishing to visit South Africa and we have seen a significant increase in tourist arrivals from that country as a result of this move. Even more encouraging is the fact that our Department of Home Affairs has just recently added Ghana to the visa waiver list for travel to South Africa. This is amazing news and could not have come at a better time for the tourism industry, as South African looks to achieve the mandate issued to us by President Cyril Ramaphosa to reach 21 million tourists by 2030.

## What are some of the misperceptions about Africa and how can we address them to attract more international arrivals as well as investors in the tourism sector?

- Africa is diverse. We're talking about 54 nations. Surrounded by two oceans – the Atlantic and Indian and the Mediterranean Sea to the north – Africa is the world's second largest and second most-populous continent. It's not one country. It's a gigantically vast land mass. While there is a common pattern of development and histories, it's hardly fair to assume that the continent is one single entity. So, experiences when visiting the continent will vary. What takes place in Tunisia could hardly be expected to happen in Swaziland. To counter misperceptions, travellers need to be able to distinguish, through thorough research, the unique characteristics of the



African destinations they wish to go to. The continent is ready to welcome visitors. Africans know the value of tourism and we take tourism seriously.

There are however still some challenges plaguing our African continent including political instability in some countries but that should not be a reason to view the entire continent through the same lens of instability and turmoil. There are many countries on the continent that have a lot to offer including world-class infrastructure and vibrant tourism experiences. South Africa, specifically, is rich in history and a culture that cannot be replicated anywhere; plus we have a variety of offerings such as wildlife, beautiful and safe beaches, vibrant nightlife and wide open spaces. All of these are set within highly developed and modernised cities complete with the amenities one can find anywhere on the globe. On a business front, African destinations are also assuming their rightful place as business events host destinations.

### What would you say is South African Tourism's selling point, and what ideas can other African countries learn from your country?

- The core mandate of the South African Tourism is to market South Africa as a viable tourist destination. We strive to attract visitors from all corners of the globe, including our fellow Africans. As a country we value tourism, which we view as having huge potential to create jobs and stimulate economic growth.

Just like other destinations on the continent, we aim to offer unforgettable experiences for both leisure and business travellers. While extolling our unique virtues as a destination – our stellar infrastructure, our amazing story of transition, our unique rainbow nation cultures, our wonderful people – we also strongly favour collaborations with our fellow African countries. We like to share tips and strategies with other African countries and generally learn from each other.

To this end, South African Tourism organises and runs two of the continent's biggest travel trade shows: Africa's Travel Indaba, which is geared towards leisure visitors, and Meetings Africa, a platform to showcase Africa's diverse offering of services and products and where African associations and African meetings industry professionals can partner to help transform our continent. We also actively participate in other trade shows across the continent where we rub shoulders with other destination marketing organisations and travel trade bodies and tourism associations. In all our strategic talks and meetings with relevant travel authorities, we stress one thing: collaboration, rather than competition, benefits everyone on the continent.

# Domestic Tourism Overview

Jumia Insights

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# Domestic Tourism Overview

Jumia Insights



## Top 5 popular cities in Africa (By No. of Bookings)

1. Lagos, Nigeria
2. Abuja, Nigeria
3. Nairobi, Kenya
4. Mombasa, Kenya
5. Accra, Ghana

## Payment options

Method	2019	2018	%Change
Pay at Hotel	62%	65%	↓ 5%
Credit & Debit Card	26%	21%	↑ 24%
Mobile Money	8%	9%	↓ 11%
Travel Agency	4%	5%	↓ 20%

## Destination search by regions

East Africa	28%
West / North Africa	29%
Central Africa	43%

## Traveller Profile by Gender

Male	→ 59%
Female	→ 41%



**50<sup>USD</sup>**  
2019 ↓ 14%

**58<sup>USD</sup>**  
2018

Average price by night in most popular destinations in Africa.

**100<sup>USD</sup>**  
2019 ↓ 15%

**118<sup>USD</sup>**  
2018

Average booking value per night in the most popular cities.

# Domestic Tourism Overview

Jumia Insights



## Traveler Profile by Age

Age	2019	2018	%Change
18-24	9%	8%	↑ 13%
25-34	45%	46%	↓ 2%
35-44	26%	27%	↓ 4%
45-54	13%	12%	↑ 8%
55-64	5%	5%	-
65+	2%	2%	-

## Hotels' most popular Amenities

Restaurant	26%	Air Conditioner	10%
Lounge	17%	Airport Transfer	2%
Breakfast	16%	Business Center	1%
Swimming Pool	16%		
Internet	12%		

# Domestic Tourism Overview



**Top 10 International Brands in Africa in number of existing hotels.** *Source: W-Hospitality Group*

Rank	Name	Existing		Pipeline	
		Hotels	Rooms	Hotels	Rooms
1	Accor	162	27,337	57	13,543
2	Marriott International	135	23,154	81	16,905
3	Radisson Hotel Group	47	9,583	47	8,974
4	Hilton	44	12,145	55	11,209
5	InterContinental Hotels Group	28	6,799	10	1,904
6	Best Western Hotels & Resorts	22	1,928	18	1,613
7	Meliá Hotels & Resorts	10	2,722	8	2,317
8	Hyatt International	7	1,518	8	1,507
9	Rotana Hotels	3	860	9	2,058
10	Mangalis Hotel Group	3	425	15	1,781
<b>Total</b>		<b>461</b>	<b>86,471</b>	<b>308</b>	<b>61,811</b>

# Domestic Tourism Overview



**Top 10 Countries by number of rooms in the pipeline in Africa 2019.** *Source: W-Hospitality Group*

Rank	Country	Rooms	Hotels
1	Egypt	15,158	51
2	Nigeria	7,940	49
3	Morocco	6,395	36
4	Ethiopia	6,184	34
5	Kenya	4,232	27
6	Algeria	4,147	19
7	Cape Verde	3,479	11
8	Senegal	2,829	17
9	Tunisia	2,768	16
10	South Africa	2,574	18

## “African Continental Free Trade Area to boost domestic travel” | Estelle Verdier Head of Travel, Jumia Group

JUMIA 



### What is your take on the African Continental Free Trade Area and its impact on travel and tourism?

- The implementation of the African Continental Free Trade Area will definitely increase intra-regional business, and thus yield huge economic benefits to the continent. In regards to the travel and tourism industry, a free trade area means more people will have the opportunity to travel across borders. There will be more business travel especially for MICE (Meetings, incentives, conferencing, exhibitions and events) as businesses seek to attract regional partnerships and investments. Moreover, the free movement of persons will boost business travel, even as we see a rise in bleisure, the combination of business and leisure travel. Medical tourism will grow, as patients receive visa-free facilitation to seek medical treatment in other African countries with advanced medical facilities.

To realize the full potential gains for travel and tourism from the African Continental Free Trade Area, will require cooperation of all industry players. For instance, all governments have to be willing to eliminate visa requirements for African nationals traveling to their countries. Ministries and other responsible partner organizations should create campaigns that will promote their local travel destinations and tourism offerings to attract more regional travellers. At Jumia, we will continue to offer diversified products at affordable prices including resident rates for regional travelers booking through our platform.

### Which innovations do you think most likely influenced the growth of Africa's domestic tourism in 2019?

- Mobile applications have been constant. In 2018, a majority of our bookings came from mobile, and accounted for about 74% of traffic to our website. Artificial Intelligence has also been increasingly influential in 2019. AI is being used by hotels, both local and international brands to identify and predict guests' behavioral tendencies to help curate personalized experiences for better hotel stays. Cost remains one of the main blockers for a faster development of local tourism. Technology has been key in helping reduce the cost of travelling, by bringing more visibility on the different options available and reducing the cost of processing bookings. Jumia Travel flight platform for instance is able to use smart technology to bring together all offers from offline and online players and process bookings in a more efficient and cheaper way. While Jumia has been keen to apply advanced technology, we have also ensured to retain a human touch through our dedicated customer service agents.

## How, as an OTA, are you navigating the changing landscape of the travel industry to better the travelers' experience?

Our focus over the last few years has been to make our platform a one stop shop. We started by offering hotel inventory, after which we added villas and apartments. A few years later we launched a flight booking platform, which today offers both international and local airlines tickets.

Jumia Travel also has a section dedicated to holiday packages for travelers who prefer to book accommodation, transport and activities all together. Customer expectations are always evolving. Thanks to our local customer service teams available 24h/7days, we are able to easily collect customers' feedback and constantly review our offering to best fit their needs. Our aim is to continuously improve our customer experience.

# Africa's Aviation Industry Overview

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# Africa's Aviation Industry Overview



Global share of passenger traffic (As of July 2019). Source: IATA

Market	World Share (2018)	# of Passengers (2018)	World Share (2017)	# of Passengers (2017)	% YoY Increase
Total	100%	4.4 billion	100%	4.1 billion	↑ 6.9%
Africa	2.1%	92 million	2.2%	88.5 million	↑ 5.5%
Asia Pacific	37.1%	1.6 billion	36.2%	1.5 billion	↑ 9.2%
Europe	26.2%	1.1 billion	26.3%	1.1 billion	↑ 6.6%
Latin America	6.9%	302.2 million	7.0%	286.1 million	↑ 5.7%
Middle East	5.1 %	224.2 million	5.3%	216.1 million	↑ 4.0%
North America	22.6%	989.4 million	23.0%	941.8 million	↑ 4.8%

# Africa's Aviation Industry Overview



## Africa's most profitable air routes between Apr 2018 - Mar 2019

Source: OAG Aviation

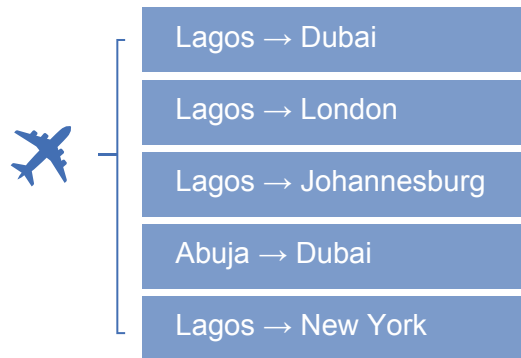
Airline	Route	Total Revenue(USD)
Jo'Burg - Dubai	Emirates	315.6 M
Jo'Burg - London	British Airways	295 M
Cairo - Jeddah	Saudi Arabian	242 M
Luanda - Lisbon	Angola Airlines	231.6 M
Cape Town - Jo'Burg	South African	185 M
Cairo - Dubai	Emirates	181.3 M
Cape Town - Dubai	Emirates	176.7 M
Abidjan - Paris	Air France	175 M
Cape Town - London	British Airways	174.6 M
Mauritius - Dubai	Emirates	164 M

# Africa's Aviation Industry Overview

Jumia Insights

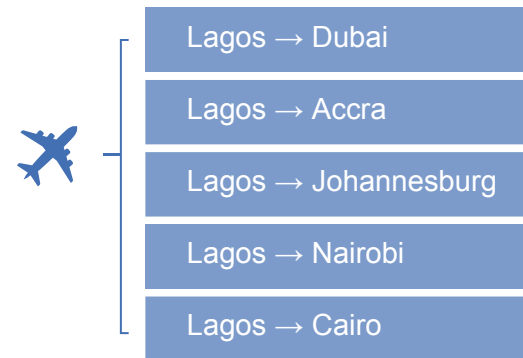


## Top International Flights Destinations Booked on Jumia from Nigeria

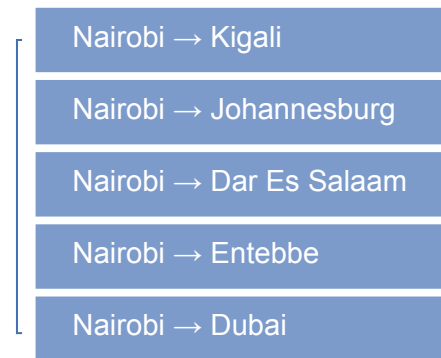


## Top African Flights Destinations Booked on Jumia

### In Nigeria



### In Kenya



# Africa's Aviation Industry Overview

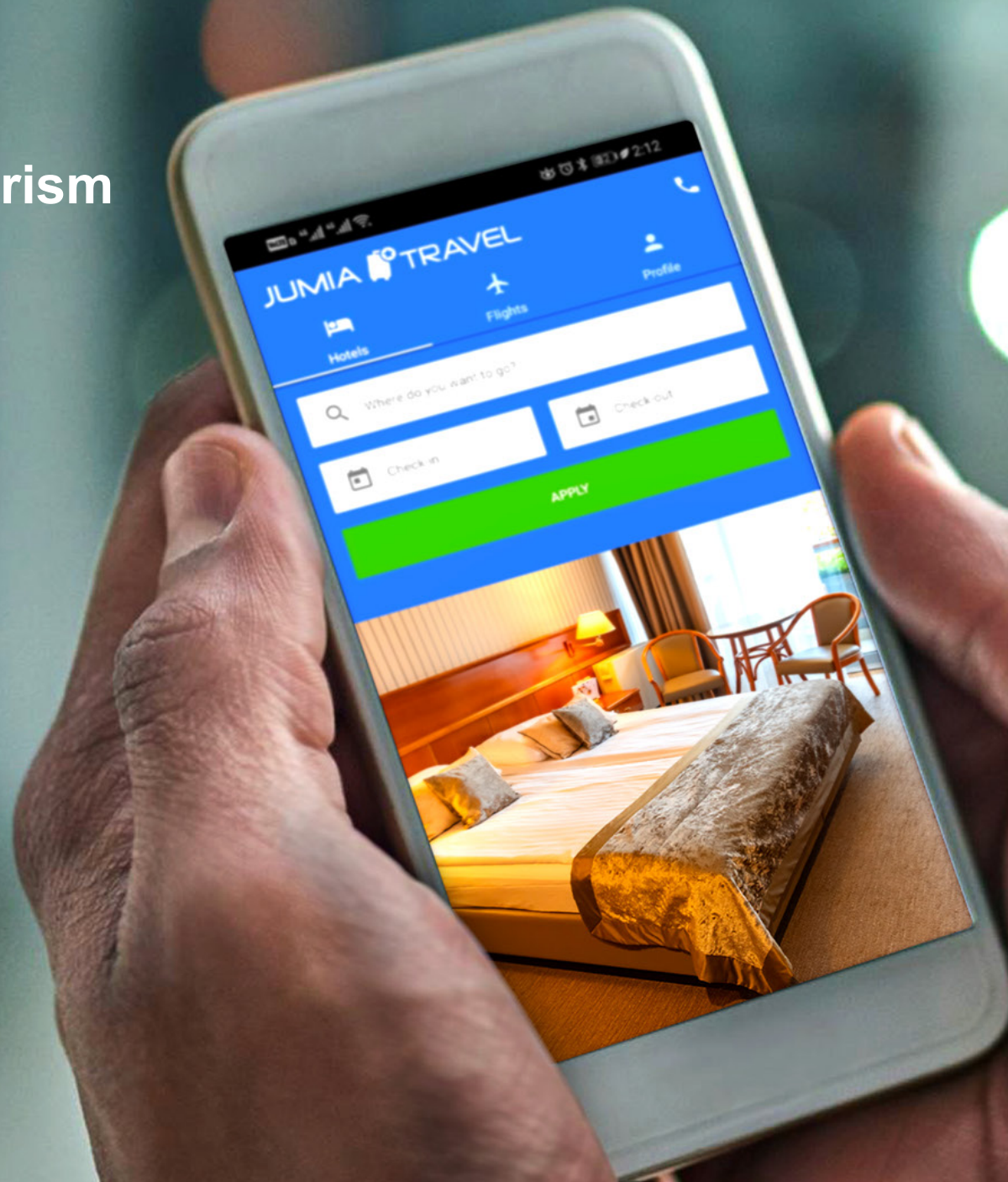


## Highlights of the 2018 Airline Industry Performance

- Air passenger numbers continued to grow globally, reaching **4.3 billion journeys in 2018, an increase of 6.9%** over 2017 (4.1 billion).
- Africa's world share of passenger traffic remained at **a staggering 2.1% (92 million passengers in 2018 from 88.5 million in 2017)**; up 5.5% over 2017.
- The rise in global performance was largely as a result of increased **connectivity among cities; directly reducing the cost of air transport** thus enabling more people to fly more often.
- The value of goods carried by air worldwide was estimated **to have been \$6.7 trillion** in 2018.
- The International Air Transport Association (IATA) forecasts that by **2037, global passenger numbers could double to 8.2 billion**.
- Within the same period, Africa's share is predicted to **grow annually by 4.9%**.
- **Africa's most profitable air route** between April 2018 and March 2019 was from **Johannesburg in South Africa to Dubai**, generating **\$315.6 million** in revenue.
- Only two African airlines made it to the top 10 Africa's highest revenue air routes: state-owned **Angola Airlines with \$231.6 million** flying from Luanda to Lisbon and **South African Airways with \$185 million** flying between Cape Town and Johannesburg.
- **Emirates topped the list of airlines** generating most revenue in the African airspace, **earning over \$837 million** with popular flights from Johannesburg, Cairo, Cape Town and Mauritius.

# Africa's E-Tourism Overview

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# Africa's E-Tourism Overview



## Top Mobile Internet Countries (% Penetration)

Kenya → <b>83%</b>	Mali → <b>63.4%</b>
Liberia → <b>81%</b>	Mauritius → <b>63.2%</b>
Tanzania → <b>72%</b>	Cabo Verde → <b>62%</b>
Seychelles → <b>70%</b>	Morocco → <b>61%</b>
Tunisia → <b>67%</b>	Nigeria → <b>60%</b>

## Mobile Industry Contribution to Economy



The mobile industry is estimated to contribute \$185 Bn to Africa's economy (9.1% of total GDP) by 2023

## Internet Penetration



**36%**  
2019

**35%**  
2018

473 million internet users as of January 2019.

## Smartphone Adoption



**36%**  
2018

**66%**  
2025

There were 255 million connections by the end of 2018 from 250 million in 2017. 690 million smartphone connections are expected by 2025.

## Sources of traffic on Jumia (Travel)



**74%**  
Mobile



**23%**  
Desktop



**3%**  
Tablet

# In Conclusion



## Strengths

- Major security improvements in key destinations especially in North Africa.
- Improved visa facilitation in major tourism countries.
- Enhanced air connectivity & stability of fuel prices leading to affordable air travel.
- Signing of the African Continental Free Trade Agreement expected to increase free movement of persons.
- Growing attention for Africa's natural wonders and unique history, as cultural and development tourism rises.
- Increased mobile and internet penetration plus adoption of technological approaches by major tourism players.

## Weaknesses

- Inadequate infrastructure crucial to tourism growth and competitiveness.
- Still low marketing efforts for "brand Africa" to eliminate negative perception created especially by foreign media.
- High airport charges and ticket taxes, making air travel expensive for low income travellers.
- Low government commitments to the tourism sector as well as significant security & governance challenges in some countries.
- High competition from the rest of the world, including Europe, Asia and the Pacific.



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Sources

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