

African growth strategy for Carlson Rezidor

KIGALI, Rwanda - An accelerated African growth strategy for Carlson Rezidor, one of the world's largest hotel groups, is on track to achieve its target of more than 23,000 rooms open or under development in Africa by the end of 2020.



Rezidor's President and CEO, Wolfgang M. Neumann, who was a speaker at the Africa Hotel Investment Conference in Kigali, Rwanda, says the hotel group launched its accelerated African growth strategy in 2014 with ambitions to double its portfolio in Africa by the end of 2020.

"Africa has always been close to our hearts. We were the early movers on the continent in 2000 when we established our dedicated business development base in Cape Town. Today, Africa is our biggest growth market with a fully functional Area Support Office in Cape Town since 2016. We also converted our joint venture company with the four Nordic Government Development agencies, AfriNord, from a mezzanine debt funding facility to a minority equity investment vehicle to support our strategy and owners."

Rezidor first entered Africa in 2000 when it opened its first Radisson Blu in Cape Town. Today Carlson Rezidor's footprint in Africa has grown to include 69 hotels open and under development in 28 countries, incorporating more than 15,000 rooms.

“

We have opened a new hotel in Africa every 60 days over the past two years

”

Neumann says in the past 24 months Carlson Rezidor has signed a new hotel deal in Africa every 37 days. "Of course, we are aware that it is not just about signing. It's really about delivering the pipeline. We have opened a new hotel in Africa every 60 days over the past two years. This year, we have already opened six Radisson Blu hotels and expect to open a Park Inn by Radisson in South Africa in the next six months. We intend to keep up this momentum of signings followed by successful openings."

The six hotels opened in 2016 include Radisson Blu hotels in Nairobi, Kenya; Marrakech, Morocco; Maputo, Mozambique (first residence in Africa); Abidjan, Ivory Coast (first airport hotel), Lomé, Togo; and the Radisson Blu Hotel & Convention Centre in Kigali, Rwanda, East Africa's largest convention centre and host to the 2016 Africa Hotel Investment Forum.

Leading player

Carlson Rezidor senior vice president business development Africa & Indian Ocean, Andrew McLachlan, says Radisson Blu leads the way with more hotel rooms under development than any of the other 85-plus hotel brands active in Africa today, according to the W-Hospitality Report. “Our ambition is to be the leading player in the travel and tourism sector across the continent.”

Exciting new developments on the cards for Carlson Rezidor in Africa include the signing of the first Radisson RED, which is expected to open in Cape Town in the course of 2017, as well as the signing of the first Quorvus Collection to be built in Lagos, Nigeria, expected to open in 2019.

Carlson Rezidor aims to open 15 or more hotels in South Africa and Nigeria alone by the end of 2020, incorporating its full brand portfolio, ranging from the Quorvus Collection, Radisson Blu, Radisson RED, and Park Inn by Radisson.

McLachlan says Africa presents an opportunity for Carlson Rezidor to grow its resort portfolio under Radisson Blu and Quorvus Collection in locations such as Mauritius, Seychelles, Zanzibar, East Coast of Kenya and Tanzania and the Cape Verde Islands.

He adds that the challenges experienced in Africa are no different to those experienced in other emerging markets. “Generally-speaking, the owner class in Africa today is typically a local, first-time owner and local professional team with limited or no hotel development experience. This means the learning curve is high and expensive. In addition, there is a high demand for imported products and equipment in many of the markets. To mitigate these risks, we offer hotel turnkey design and build contractors to ensure the owners and their teams have significant support when it comes to delivering each hotel.”

Cost saving

“Water and electricity are the two most expensive running costs in African hotels today and we are constantly looking at ways to design and operate our hotels with a view to saving costs and improving results, as part of our responsible business strategy,” says McLachlan.

Notably, 77% of Carlson Rezidor’s hotels worldwide have been eco-labelled and the hotel group has recorded a 22% energy saving since 2011 and a 29% water saving since 2007 across Europe, the Middle East & Africa. The hotel group is particularly focused on conserving the planet’s scarce water resources and its Blu Planet initiative is aimed at providing safe drinking water for children in disadvantaged areas in partnership with international water aid charity, Just a Drop.

Carlson Rezidor Hotel Group also partners with IFC, a member of the World Bank Group that focuses on private sector development, to promote the design and construction of green buildings in emerging markets. Through the partnership, Carlson Rezidor will use the EDGE eco-analysis software for all of its future hotel projects in Eastern Europe, the Middle East and Africa. As 40% of the world’s carbon emissions are generated through the construction and operation of

buildings, designing green hotels supports the industry's responsibility to meet COP21 targets.

Expanding its footprint into Africa also means creating employment for the local population in each country, with an emphasis on developing women to leadership positions. "Many hotel jobs do not require tertiary education and present opportunities for locals to be trained and upskilled to fulfil particular roles," says McLachlan.

For more, visit: <https://www.bizcommunity.com>