

After the gorillas, what's next for Rwanda's tourism and hotel industry?

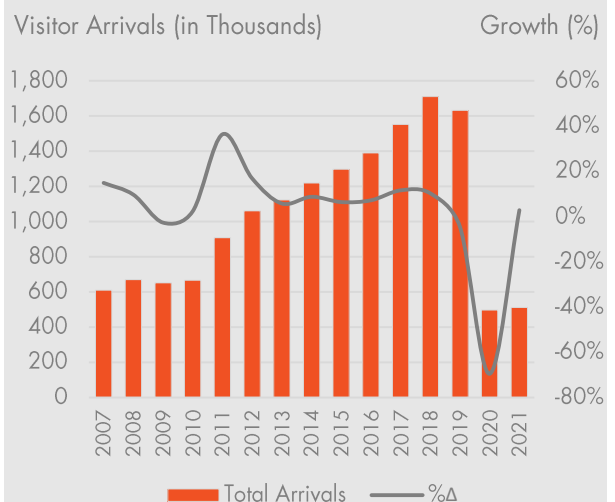
New international airport key to unlocking Rwanda as a business and tourism hub

"Rwanda, known as the Land of a Thousand Hills, is nestled in central Africa, adjacent to Uganda, Tanzania, Burundi, and the Democratic Republic of Congo. It's best known to luxury travelers as one of the three natural habitats of the endangered mountain gorilla species. Prior to the COVID-19 pandemic, the destination recorded a total of 1,632,000 international visitors in 2019, with a 10-year CAGR of 10% between 2009 and 2019.

According to the Rwanda Development Board, the tourism and hospitality industry contributed 13% of GDP in 2019 with USD65 million generated from the MICE segment. The growth of the MICE business is largely due to the high level of safety and security. The average length of stay (ALOS) of East African countries arriving in Rwanda via flights for business purposes was 5.24 days with an average daily expenditure of USD152 in 2019.

The Democratic Republic of the Congo was the main international source market, representing 54%, followed by the Burundi market in 2019. The biggest source market outside Africa was the United States, which totaled 40,167 visitors in 2019, and are most notably bucket-list luxury travelers.

International Visitors Arrival Trend



Source: Rwanda Development Board and C9 Hotelworks Market Research

There are only four 5-star hotels in Rwanda, namely, Kigali Marriott Hotel (254 keys), Kigali Serena Hotel (148 keys), Radisson Blu Hotel (292 keys), and One & Only Nyungwe House (22keys). Rwanda remains in early stage development but given rising infrastructure, is primed for growth."

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Rwandan government launched an economic recovery fund of USD100 million in 2020, with half being dedicated to the tourism and hospitality industry. In 2022, an additional USD250 million was injected as phase two to stimulate the COVID-19 recovery.
- Regional African visitors are the main market feeder for the country, accounting for 88% of total international visitors in 2019.
- The hotel and service sector is facing staffing issues due to the limited availability of trained employees with hospitality and tourism service skills.

Forward Outlook

- Kigali's new gateway Bugesera International Airport is scheduled to open in 2023, is expected to grow annual passenger capacity significantly from 1.5 million passengers (current air gateway) to 7 million in phase one and 14 million by phase two. Qatar Airways is a partner in the mega project.
- A planned Isaka-Kigali Railway Project would be the first passenger railway line in Rwanda. The 450-km-long railway is set to connect Rwanda and Tanzania.
- The Kivu Queen luxury cruise vessel, which will be the first floating accommodation on Lake Kivu with 10 cabins is planned to open in 2023.

TOURISM MARKET REVIEW

Tourism Indicators

Tourism Revenue



Compound Annual Growth Rate (CAGR)

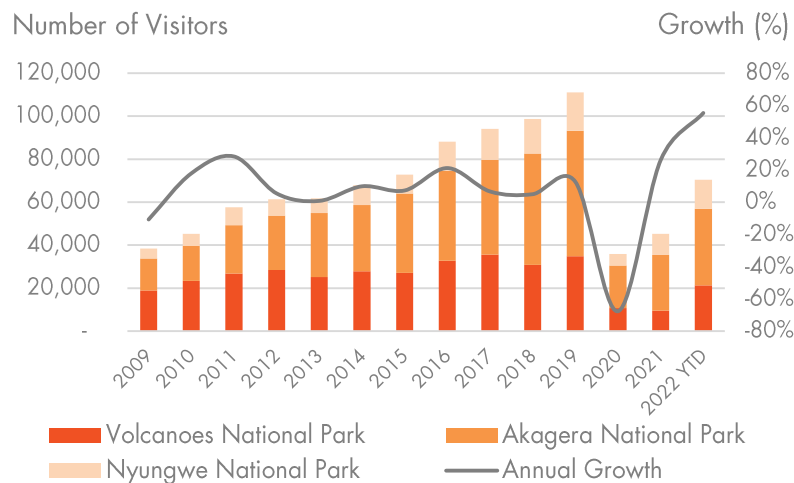
2009 - 2019: **11%**

Tourism Revenue

USD498 million (2019)

Source: Rwanda Development Board and C9 Hotelworks Market Research

National Parks Visitation



Total Number of Visitors

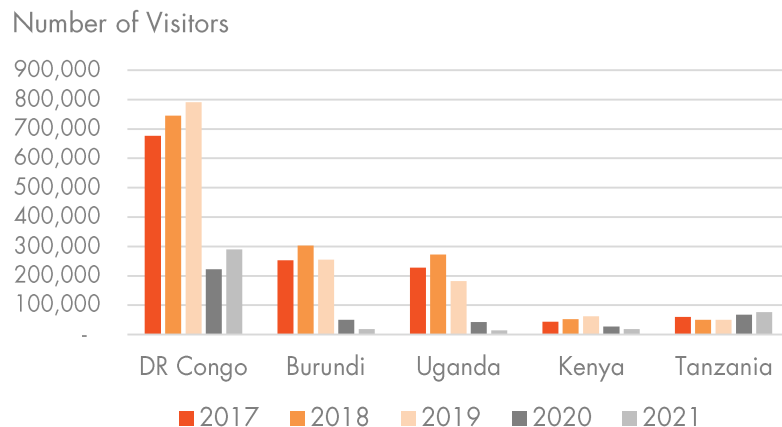
111,136 (2019)

International vs. Rwandan Citizens

61% vs. 31% (2019)

Source: Rwanda Development Board and C9 Hotelworks Market Research

Top 5 International Geographic Source Markets



DR Congo: **48.4%**

Burundi: **15.6%**

Uganda: **11.1%**

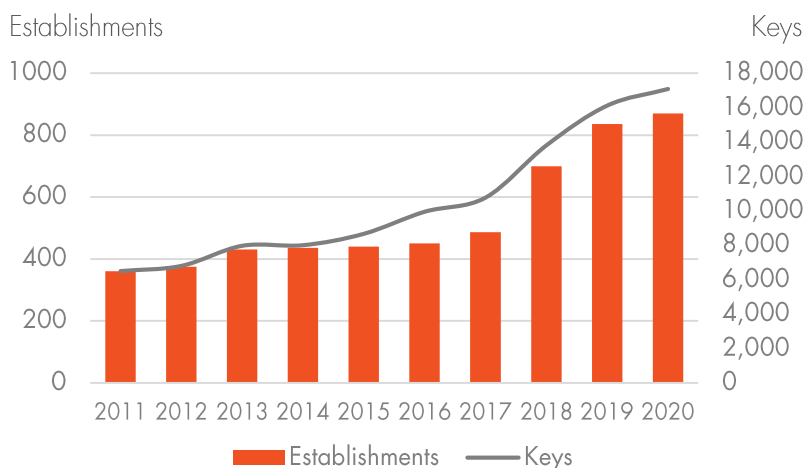
(2019)

Source: Rwanda Development Board and C9 Hotelworks Market Research

HOTEL MARKET REVIEW

Hotel Supply - Countrywide

Accommodation Establishments & Key Counts

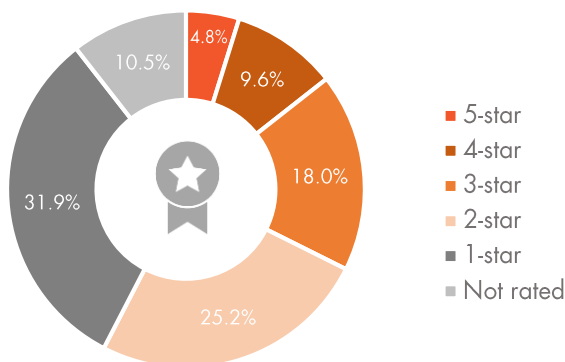


Total Supply
17,078 keys

Total Establishments
870

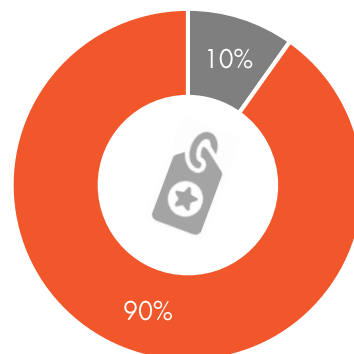
Source: Rwanda Development Board and C9 Hotelworks Market Research

Hotel Development Insight



57% of hotel supply are in the **Budget** and **Economy** tiers

Branded vs. Non-branded



90% are unbranded hotels

Source: Rwanda Development Board and C9 Hotelworks Market Research

Rwanda Hotel Pipeline

There are six notable upcoming hotels and one rebranding hotel with a total of 823 keys, with 71% affiliated to international brands. Six are located in Kigali, which is the main gateway capital city.

Hotels	Location	Keys	Opening
Kivu Queen by Mantis	Lake Kivu	10	2023
MGallery Kigali Century Park	Kigali	58	2023
Odalys City Business Apart Hotel	Kigali	200	2024
Century Park Hotel and Residences Kigali	Kigali	200	2025
Movenpick - Umubano*	Kigali	138	2025
Adagio Kigali	Kigali	121	TBA
Ibis Styles Kigali	Kigali	96	TBA

Source: Tophotelprojects and C9 Hotelworks Market Research
*Rebranding and refurbishment

About C9 Hotelworks



BILL BARNETT

MANAGING DIRECTOR

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- Hotel and Resort Development
- Mixed-Use Branded Residences Advisory
- Project Feasibility and Analysis
- Hotel Operator Search

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 Hotelworks the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has over 35 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.

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