

# Hospitality and tourism's relevance to African markets



By Josephine Wawira

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Hospitality and tourism is an important sector for many developing countries since it is one of the main foreign exchange earners. In 2016, foreign visitors to Africa reached 58m with a spending of \$40.7bn and is projected to reach 42.9bn by end of 2017. These statistics by Jumia Travel's [Hospitality Report Africa](#), reflect the sector's extensive significance both in terms of social and economic growth.



Clare Mara Kempinski, Masai Mara

The ripple effect tourism's advancement has created is largely noticeable, especially in its contribution to the continent's economy. 2016 saw a 7.8% (\$165.6bn) contribution to the GDP, with an expected rise to 7.9% (\$170.5bn) in 2017. With it comes the aspect of alleviating unemployment, as the industry now indirectly employs one out of 20 people.

## Transformative and inclusive

UNCTAD's [Economic Development in Africa Report 2017: Tourism for Transformative and Inclusive Growth](#), identifies the scale of involvement of women in African tourism as significant in line with global trends. In the report, "Global figures suggest that women make up approximately half of all jobs in the hotels and restaurants sector (UNWTO and UN Women, 2011). This trend is replicated in Africa as about 47 percent of hotel and restaurant employees are women, with Mali reporting the highest female participation of all 172 countries surveyed by UNWTO, as women account for 82 percent of all hotel and restaurant employment."

## The rise of tech startups and mobile technology

The growing uptake of the internet has also enabled the rise of tech startups aimed at working to overcome the challenges of e-commerce in Africa. Currently, there are approximately 345m internet users in Africa, representing 9.3% of the total population and a penetration rate of 27.7%. In the same line, mobile technologies and services generated 6.7% of GDP in Africa in 2015 (around \$150bn of economic value) and is expected to increase to more than \$210bn (7.6% of GDP) by 2020.

However, more impressive performance can be achieved if more players in the tourism and hospitality sector embrace and encourage the adoption of mobile technologies in their businesses. For instance, only 6% of Jumia Travel customers pay for their bookings through mobile payment in Africa, evidence of a highly untapped potential. Yet, countries such as Kenya

where a higher population is mobile, payments through M-Pesa stand at approximately 32%.

## A resilient sector

All factors considered, one can hardly dispute the relevance of the hospitality and tourism sector to the African market. Its resilient nature is incontestable in the face of challenges including slow infrastructural advancement, terrorist threats and political instability in some African countries leading to travel bans, increasing competition from emerging global tourist destinations, as well as visa restrictions between African countries among others.

## ABOUT JOSEPHINE WAWIRA

Josephine Wawira is a consultant in communication and public relations with over six years of progressive writing and broadcast experience. She is currently a writer for Africa's online hotel booking portal, Jumia Travel, focusing in the areas of travel, tourism, and hospitality as it relates to Africa.

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