

Africa's hotel and hospitality sector growth to boom in 2023 - report

Travel and tourism are firmly on the agenda in Africa for 2023, according to a new report on the hotel and hospitality sector, launched by dmg events and Moore, which shows a faster post-pandemic recovery than anticipated...



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The 2023 Hotel and Hospitality Industry Confidence Index is aimed at understanding the trends, challenges and perceptions facing the industry. Participants from 17 African countries in the hotel and hospitality market were surveyed and overall, feel optimistic about the prospects of the sector.

"The survey paints a picture of a sector that's largely positive in its outlook, and that's looking to find fresh routes to traveller engagement and new ways of building traveller experiences," says Evan Schiff, portfolio director at dmg events.

Even with the challenges facing the sector, almost 82% of respondents were positive about the next six months, while 90% felt positive about the sector over the next one to two years.

Among the findings, respondents pointed to the potential for increased investment to bolster growth in the industry and leverage it effectively. Statista predicts US\$13.80bn in hotel market revenue volume on the continent by 2027. This means

an anticipated rise in the rate of revenue on an annual average of 8.68% between 2023 and 2027.

An uptick in activity last year saw Africa achieve the world average in the pace of recovery, with North Africa leading the way on the continent at -29% growth in international tourism. This is a big increase over the -73% during the pandemic globally. Sub-Saharan Africa lagged 43% behind its pre-pandemic key performance indicators but the recovery is in motion across Africa and the opportunities for hotel and hospitality operators are vast.

Key trends to expect this year

Trends that were most prevalent in travel and tourism in 2022 included:

- Environmental, Social and Governance (ESG) considerations, with travellers seeking sustainable tourism, conscious of the energy costs of a vacation.
- Nature-bound getaways or 'staycations' were popular to connect people with the environment.
- Medical tourism saw post-pandemic risk factors shaping how some chose to travel, including in the pursuit of wellness.
- The GOAT and growth trend was another key factor as identified in research from Expedia, highlighting that 2022 was the year of the GOAT (Greatest of All Trips) for travellers as they embraced 'carpe diem' and embarked on 'bucket-list' travel and new experiences.
- Automation and intelligent technology will further shape the industry to deliver on cost-cutting while providing exceptional service.

Trends in hospitality that will remain

"Check-ins went digital, restaurant menus were accessed via QR code, and customers are happy, which is encouraging hoteliers to go even further," says Schiff. "Many apps that were once a 'nice to have', are now fully interactive and engaging pathways to customer engagement and interaction. This is one of the most exciting trends in the industry."

"Securing appropriately skilled staff in hospitality has proven to be a big challenge, adds global sector leader: hotel and leisure at Moore Global, Márton Takács. "This along with the rising costs of energy and reliable supply, construction costs and the impacts of inflationary pressures, which extend to tightening the discretionary income purse strings for travellers, have weighed heavily on the industry."

Covid still presents a dynamic, ongoing risk to the sector, and occupancy rates are still generally lower than pre-pandemic, but Takács adds that there is a determination to not only preserve employment, but to keep going and to innovate. A substantial 94.3%% of respondents made their commitment clear to supporting employees and to retaining talent within the sector.

The Hotel & Hospitality Show, hosted by dmg events, which takes place from 18 to 20 May 2023 in Johannesburg, is in its sixth year and seeks to connect brands with hospitality buyers in Africa, promoting business-to-business matchmaking services and masterclasses as part of its agenda, encouraging networking and the forming of meaningful cross-border collaborations. In 2022, 67 countries from around the globe were represented at the three African Trade Week events, opening doors for local sellers to meet international buyers.

[Read the full 2023 Hotel and Hospitality Industry Confidence Index.](#)