

# R1 billion expansion into Africa by Protea

A drive by Protea Hotels into Africa will see the group build 11 new hotels with its property owner partners at a value of US\$130 million (approximately R1 billion), which it states is the biggest expansion on the continent this year of any hotel group in the world.



Artist's impression of Benin City.

The Protea Hospitality Group is forging ahead with extensive expansion plans on the continent this year, with the first Protea Hotel soon to be built in Nigeria and 10 other properties in the pipeline for the West African country along with Uganda and Zambia.

This will bring to nine the number of African countries in which Protea Hotels is represented and the company is expected to make a separate announcement soon in this regard.

Protea Hospitality Group CEO Arthur Gillis said the company was viewing the African market with much optimism this year, despite the uncertainty facing the global economy. "As political stability and business opportunities increase, they create a greater need for the hotels and we're leading the charge," said Gillis.

"There are a number of countries such as Nigeria, Zambia, Uganda and Angola that are flying in the face of the global economic trend as far as hospitality is concerned. Africa's traditional trading partners have been changing rapidly in recent years, and this is spurring unprecedented growth in regions that have previously not seen the numbers."

According to an African Outlook document, co-authored by the African Development Bank, the OECD Development Centre, the United Nations Development Programme and the United Nations Economic Commission for Africa, the continent is becoming increasingly integrated in the global economy and in 2009, China became Africa's main trading partner.

"Hospitality groups would be foolish not to be wondering where their opportunities lie and researching which areas of the continent are drawing the largest percentage of commercial travel," Gillis said.

## New hotels

## **Nigeria:**

- Protea Hotel Ibadan, Oyo State, 75 rooms, to open mid-2012;
- Protea Hotel Select Emotan - Benin City, Edo State, 100 rooms, opening in late-2012;
- Protea Hotel Select Ikeja, Alausa, Ikeja, Lagos, Lagos State, 120 rooms, under construction and set to open in early 2013;
- African Pride Avalon Hotel and Spa, GRA Ikeja, Lagos, Lagos State, 150 rooms, under construction and due to open in late-2013; and
- Protea Hotel Asaba, Asaba, Delta State, 125 rooms, construction to due to start April 2012.

## **Uganda:**

- Protea Hotel Entebbe, 70 rooms, opening April 2012; and
- A further two hotels to open under the Protea Hotels banner in the third quarter 2012.

## **Zambia:**

- Protea Hotel Ndola, 80 rooms, construction due to start in April 2012 and opening late 2013; and
- Protea Hotel Mulungushi (name yet to be confirmed), 104 rooms, construction just started.

These hotels will create an estimated 1000 new direct jobs in the hospitality industry in those countries and scores of indirect jobs in the supplier industries.

Gillis said hoteliers and developers in Africa were consistently turning to the Protea Hospitality Group for partnerships because of the strong brand equity that each of its brands represents and the company's excellent record of accomplishment in management and logistics across the continent.

"It's Africa's year for development and that means it's also the group's year for development," he concluded.

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