

Minor Hotel Group plans major expansion into Africa

The Minor Hotel Group has tabled an ambitious plan to operate 50 more hotels in Africa within the next five years. With high-end hotels planned for thriving cities including Cape Town, Johannesburg, Lagos and Abuja, the multi-million Rand plan will treble its current footprint.



Royal Livingstone - Deck at sunset with zebras

“At the moment we have 25 hotels in Africa and we want to grow by 50, adding 10 a year for the next five years,” said Sir Richard Hawkins, the Minor Hotel Group’s regional operations director for Africa, operating out of their Johannesburg offices.

The tactic will be to negotiate management deals with hotels of about 150 bedrooms, with the possibility of taking equity in them later. No fixed budget has been allocated, but with each management deal likely to cost about R225 million, it’s a potential investment of more than R11-billion in the next five years in Africa alone. “It’s not an open pocket of money but where there are opportunities we will go in,” Hawkins said.

Building presence in South Africa

The group is keen to establish a presence in South Africa through business hotels in Johannesburg, business and leisure hotels in Cape Town, and leisure hotels along the Western Cape. That will build on the R679.5 million deal Minor Hotel Group struck with Sun International in 2014 when it opened an office in Johannesburg after buying a stake in eight Sun International properties. The group took over the hotels’ attached Sun casinos in Botswana, Lesotho, Namibia, Swaziland and Zambia, and rebranded them as Anantara and AVANI properties, which are two of the six brands owned by the company.

The deal didn’t cover South Africa, however, and Hawkins is anxious to fill that gap through management contracts with the owners of established hotels or newly built properties. “We are looking for existing assets because we don’t want to get involved in the construction,” he said. He is currently negotiating for two business hotels in Ndola in Zambia’s copper belt, and with a small chain of hotels in Bulawayo, Harare and Victoria Falls.

Africa poised for growth

Hawkins believes Africa’s hospitality industry is poised for some unprecedented growth. “Africa has the infrastructure, it

has 1.2-billion people, it's got the resources that the rest of the world wants, and an emerging middle class which has money and is willing to spend it. We want to be there to receive them," he says.

But you have to pick your battles, he believes. "If you are scared don't come to Africa, but we are not scared. We are Africans so we know Africa and we understand the risks of dealing with Africa. We are not going to go to the DRC, for instance, because it's a difficult market, but we will go into Nigeria, Angola, Ethiopia, Morocco, Cameroon and we will come into South Africa."



Anantara Medjumbe Island

Minor Hotel Group already operates 146 hotels under six brands, including luxury Anantara resorts in the Far East, the Middle East, the Maldives and Mozambique; AVANI business hotels in Mozambique and the Far East; and the five star Per Aquum brand in Zanzibar, the Maldives and Dubai.

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