



Emerging Africa:

Exploring Meetings on
a Changing Continent



Destination Africa

Introduction

Africa is a continent with many different cultures and countries. From a meetings perspective, Southern Africa has long been a popular destination for incentive travel and congresses, but with the continent increasingly regarded as a key development region for business, a deeper look is required to fully understand Africa as destination for a full range of meetings and events. American Express Meetings & Events, as part of an ongoing effort to provide meeting professionals with timely and relevant industry research, conducted a study to understand the meetings and events market activity and outlook in Africa.

This study provides a view into perception and intentions among corporate and supply-side meetings professionals. It also includes perceptions of specific regions of Africa and the impact of these perceptions on the selection of Africa as a destination. The ultimate goal of this study is to inform the meetings community regarding the factors impacting the selection of Africa as a destination, and help provide additional insight on the market as a meetings destination as Africa rises in prominence on the global business stage.

Methodology

To develop this paper, a number of sources were used including a survey of global meeting professionals, the American Express Meetings & Events 2015 Global Meetings & Events Forecast, and third-party data and industry information.

The survey of global meeting professionals was undertaken to understand the perceptions of Africa as a destination for meetings and events and the extent to which meeting professionals recognize regional differences. This study was conducted during the month of April 2015 in partnership with Intellective Group, a market analysis and research company.

While the majority of the respondents were European or North American, both Asia Pacific and Central / Southern America were also represented in the respondent base. When posing questions to survey respondents about activity and considerations of Africa, the survey divided the continent in five key regions: Each respondent was asked to rate two randomly generated regions, with all regions being rated across an equal number of respondents.

Regional breakouts can be seen on the map. It's important to note that for this study, key safari destinations were rated as part of Central Africa.

-  **North Africa**
(Including Egypt, Morocco, Tunisia)
-  **West Africa**
(Including Senegal, Sierra Leone, Mali)
-  **East Africa**
(Including Sudan, Ethiopia, Eritrea)
-  **Central Africa & Safari Country**
(Including Tanzania, Zambia, Congo)
-  **Southern Africa**
(Including Johannesburg, Cape Town, Pretoria)



Africa Meetings Activity

Current Meetings Environment in Africa

Percent of Meetings Going to Africa

While total meetings activity in Africa is low compared to North America and Europe, approximately 40% of survey respondents do report at least some meetings activity in Africa. Africa is the destination for just over 9% of the meetings held by the survey respondents.

Of the meetings held in Africa, the majority are held either in Southern Africa or North Africa.

When asked about destinations for their meetings over the next two years, respondents indicated destinations would remain consistent in the coming years. However 52% of those surveyed also indicated that interest in Africa as a destination for meetings and events is increasing, while only 20% indicated decreasing interest.

Meeting/Event Locations: Continents

	AVERAGE PERCENTAGE OF MEETINGS/ EVENTS PAST TWO YEARS (N=224)	AVERAGE PERCENTAGE OF MEETINGS/ EVENTS NEXT TWO YEARS (N=213)
Europe	49%	48%
North America	24%	23%
Africa	9%	9%
Asia	6%	6%
South America	4%	4%
Australia	3%	3%
Mexico/Central America	3%	3%
Middle East	3%	3%

Totals do not sum 100% due to rounding.
(Source: Emerging Africa, April 2015)

Interest in Africa as a meetings destination

Increasing	▲	52%
Staying the Same	▶	24%
Decreasing	▼	20%
Don't Know	◀▶	4%

(Source: Emerging Africa, April 2015)

Meeting/Event Locations: African Regions

	PERCENT OF AFRICA MEETINGS/ EVENTS EACH REGION, PAST TWO YEARS (N=90)	PERCENT OF AFRICA MEETINGS/ EVENTS EACH REGION, PAST TWO YEARS (N=82)
North Africa	61%	57%
West Africa	24%	34%
East Africa	26%	24%
Central Africa	28%	27%
Southern Africa	47%	43%

(Source: Emerging Africa, April 2015)

Meeting and Event Types Being Held

Respondents report a wide variety of meeting types are held across Africa. Each meeting/event type appears to be held in every region. There are some that are more prevalent by region than others, however:

- › In North Africa, sales and marketing meetings are prevalent, as are training meetings, conferences and congresses.
- › In Southern Africa, sales and marketing and training meetings are common, as are incentives and special events.
- › Training meetings prevail in West Africa.
- › Training meetings and internal team meetings are prevalent in East Africa.

Average Group Rates

Meeting professionals surveyed foresee considerable differences regarding changes in average group rates for hotel and air for African destinations. Approximately 33% of meeting professionals believe these rates will increase over the next two years.

Survey respondents expect group rates for hotels to increase by 1.2% and average group rates for air are expected to increase by 1.6% over the next two years.

According to the African Business Travel Association, economic growth, combined with long lead in times for hotel development is creating capacity constraints and high rates in key sub-Saharan markets such as Angola and Nigeria.

■ Indicates highest response

Meeting/Event Types: African Regions

MEETING/EVENT TYPES	NORTH AFRICA	WEST AFRICA	EAST AFRICA	CENTRAL AFRICA	SOUTHERN AFRICA
Sales/Marketing	62%	37%	24%	20%	42%
Training	42%	43%	48%	37%	40%
Internal Team Meeting	28%	31%	48%	23%	31%
Product Launch	22%	20%	10%	30%	35%
Conferences/ Congresses	40%	37%	31%	27%	38%
Exhibitions/ Conventions	28%	31%	10%	20%	23%
Senior Leadership Meeting/Board Meeting	23%	23%	21%	17%	31%
Advisory Board	22%	14%	17%	17%	10%
Incentive/Special Events	32%	14%	7%	27%	42%

(Source: Emerging Africa, April 2015)

Demand by Property Type

The majority of respondents holding meetings/ events on the continent expect demand for all property types to increase or stay the same, with Resort Properties and Non-Traditional Meetings Facilities seeing the highest predicted demand.

According to TOPHOTELPROJECTS GmbH midscale to luxury hotel openings increased in Africa from 2013 to 2015. Additionally, 4- and 5-star hotels under construction in Africa increased by 16% from 2014 to 2015. The top three African cities for 2015 hotel openings are all in Northern Africa: Marrakech (10), Algiers (6), and Cairo (6).

Rolf W. Schmidt, Managing Director of TOPHOTELPROJECTS GmbH is cited: *“Mr. Schmidt has noticed that Africa has been referred to as the “hot spot” with 2015 planned openings up 40% from 2013. There are some doubts within the industry however, whether this level of new construction within the region is sustainable, particularly given some of the political instability present in some African countries and the challenges associated with initiating and developing hotel projects in a number of sub-Saharan countries.”*

Predictions: Property Type Demand for African Destinations

OVER THE NEXT TWO YEARS:		RESORT PROPERTIES	LUXURY PROPERTIES	MID-TIER PROPERTIES	LOWER-TIER PROPERTIES	NON-TRADITIONAL MEETINGS FACILITIES
Increase	▲	47%	42%	44%	32%	48%
Staying the Same	▶	26%	29%	27%	34%	31%
Decrease	▼	19%	21%	19%	19%	13%
Don't Use	◀▶	8%	8%	10%	15%	8%

(Source: Emerging Africa, April 2015)

OVERARCHING PERCEPTIONS

Opportunity to Increase Familiarity Among Meetings Professionals

One key objective of this study is to understand overarching perceptions of meeting planners related to Africa as whole, as well as within outlined regions. The extent to which perceptions of different African regions are accurate and distinct from each other as perceptions have a large impact on consideration of a destination for a meeting or event.

As African regions work to become compelling destinations for the meetings and events industry, the continent as a whole faces considerable barriers in terms of awareness and familiarity among meeting professionals. While 61% of respondents indicate some degree of familiarity with North Africa, and 58% indicate the same for Southern Africa, the percentage drops much lower when considering familiarity with Central, West, or East Africa where well over half of respondents indicate no familiarity with the regions. Education and awareness will be important first steps toward generating interest in Africa as a destination.

Ease of Travel Arrangements

As a result of this low familiarity, many industry professionals are uncertain regarding how African destinations compare with other regions as it relates to obtaining visas, managing payments and managing contracts. Adding to the challenge: among those who feel knowledgeable about planning meetings in Africa, there is an abiding perception that managing group travel in Africa is more difficult compared to other destinations.

The perceived difficulty of obtaining visas and managing contracts and payments for African destinations is a hurdle those invested in regional development will need to overcome to facilitate growth in the area.

According to the African Business Travel Association, manual payment methods such as cash and invoicing dominate outside of North and Southern Africa, with low use of card products. Unlike other areas of the world, a single form of payment is not yet widely available throughout Africa.¹

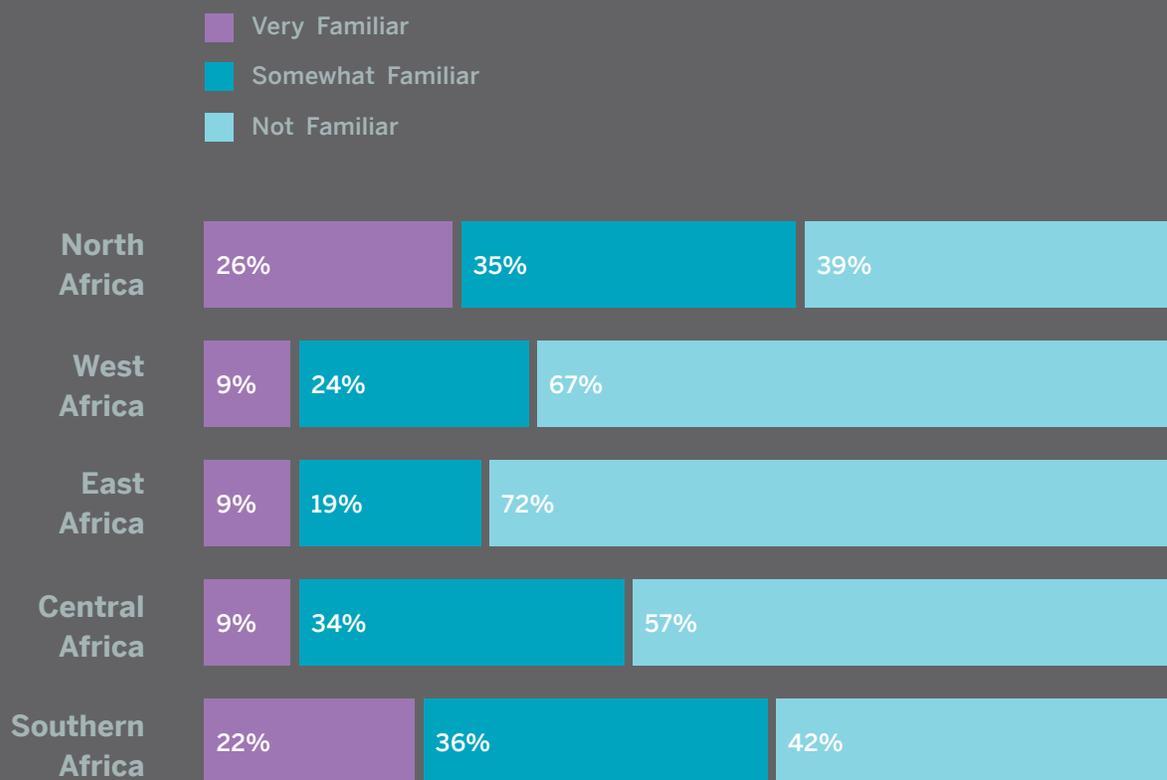
While payments can present challenges in some countries in Africa, many areas continue to undergo rapid development and expansion. In the key meeting regions of North and Southern Africa, card and electronic payments seem to be commonplace.

Regional Perceptions/Differences

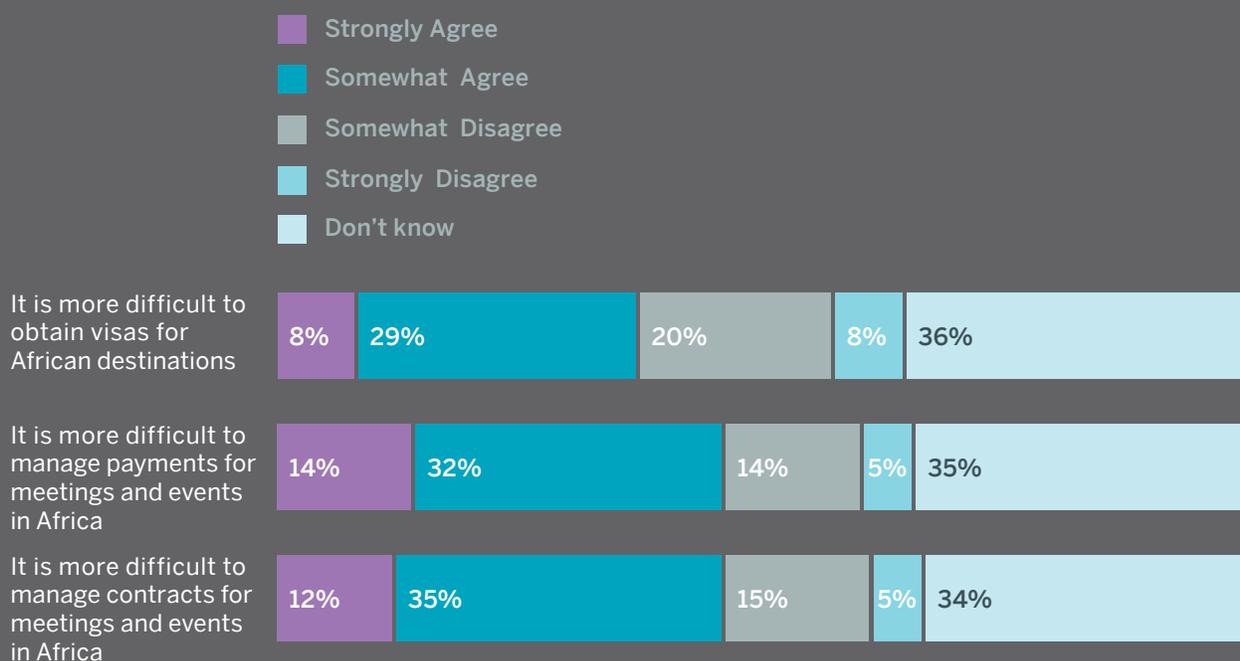
Generally speaking, meetings professionals do differentiate between the different regions of Africa addressed by the study. Southern Africa is typically well-regarded in terms of readiness and appeal as a destination, although Central Africa receives equally high ratings as a destination that would appeal to participants and that the meeting professional themselves would like to visit. East and West Africa have the lowest ratings of all the regions, and North Africa falls in the middle of the pack.

¹ African Business Travel Association: "Understanding Business Travel in Sub-Saharan Africa." 2014

Meeting Professionals: Personal Familiarity with African Regions



Perceptions Regarding Managing Visas, Payments and Contracts



Totals do not sum 100% due to rounding.
 (Source: Emerging Africa, April 2015)

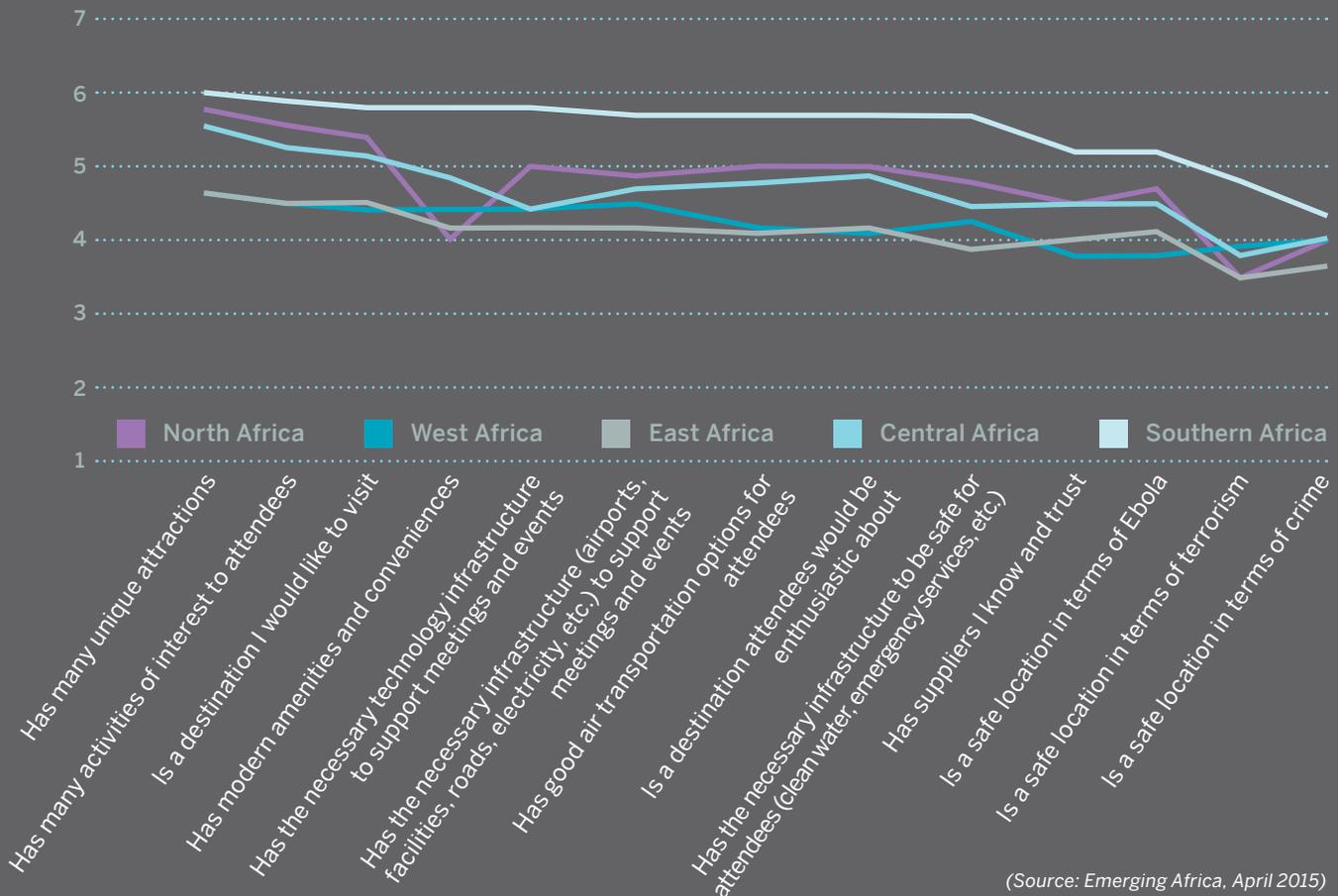
Meeting professional perceptions of the African regions in terms of infrastructure/amenities, attractions, safety, presence of suppliers, disease, terrorism, and crime suggest that in some instances, they paint the continent with a broad brush – attributing qualities existent in one region to other regions. However, clear regional differences do exist.

- › Overall, North Africa and Southern Africa are the most developed regions in terms infrastructure and development; respondents recognize this and what it represents in terms of both ease and amenities for meeting/event activities.

- › Reported cases of Ebola in recent months have been limited to West Africa. Those surveyed rate this region lowest in terms of Ebola safety, though concern over Ebola seems to exist in other regions as well.
- › Terrorist acts have occurred primarily in East, West, and North Africa. Meeting professionals surveyed do rate other regions as safer in this respect, but the differences are not large.

Given widely varying perceptions, meeting planners can work with local resources to ensure they have an updated and accurate view of these key factors in countries they are considering for meetings.

Ratings of African Regions (7-point scale)



(Source: Emerging Africa, April 2015)

Qualities Important to Consideration of Africa for Meetings/Events

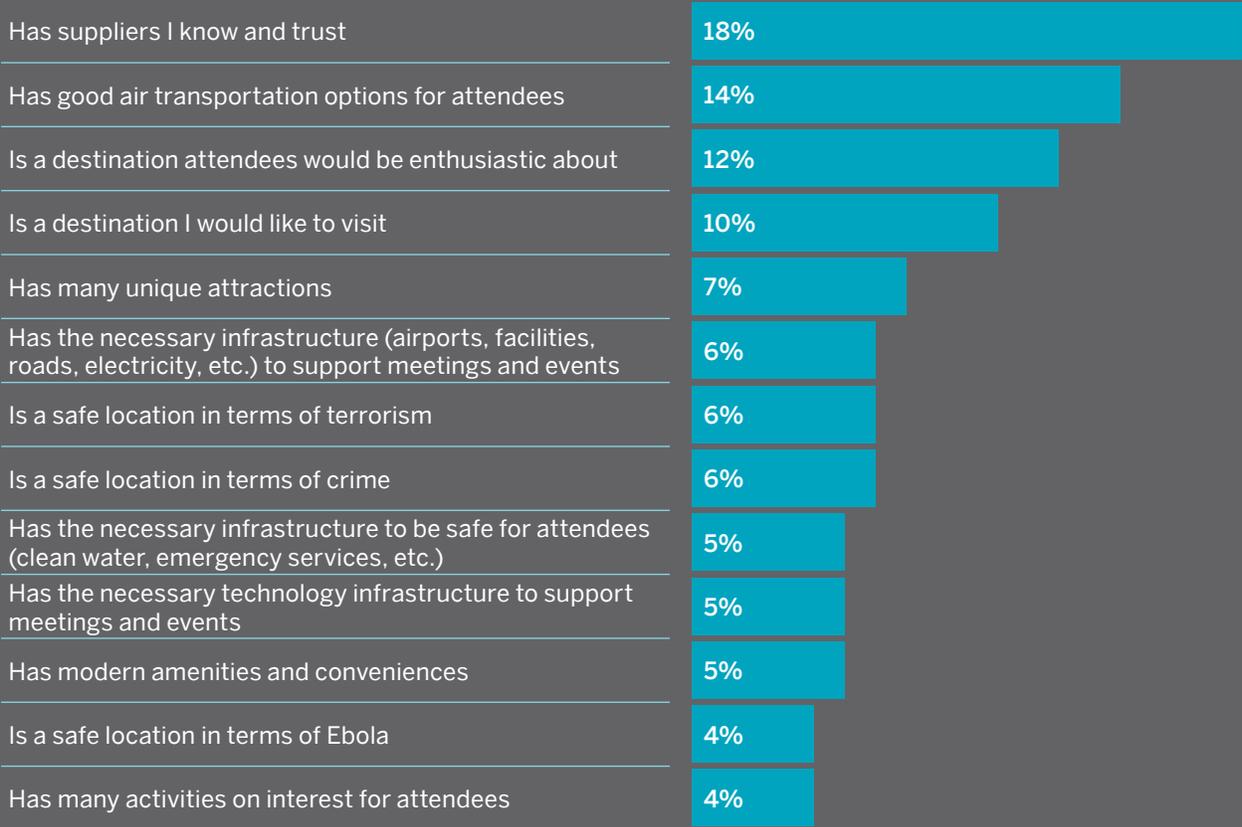
In terms of qualities most influential to considering holding meetings/events in Africa, meeting professionals most value having suppliers they know and trust, having good air transportation options for attendees, being a destination attendees will be enthusiastic about, and being a destination they themselves would like to visit.

These characteristics outweigh those related to conveniences, infrastructure, Ebola,

terrorism, and crime, suggesting that trusted suppliers and an interesting, accessible destination can overcome some of the challenges common to developing countries.

Looking further into these rankings, meetings professionals indicated that for most meeting planners and corporations, attendee safety and basic meeting infrastructure is a given and must be in place for serious consideration of a meeting destination.

Qualities Important to Consideration of Africa for Meetings/Events



(Source: Emerging Africa, April 2015)

Key Consideration Factors by Region

RATED HIGHLY:
DIMENSIONS IMPORTANT TO
AFRICA CONSIDERATION

North Africa	<ul style="list-style-type: none"> › Has suppliers I know and trust › Has good air transportation for attendees › Is a destination attendees would be enthusiastic about › Is a destination I would like to visit
West Africa	› None
East Africa	› Is a destination I would like to visit
Central Africa	› Is a destination I would like to visit
Southern Africa	<ul style="list-style-type: none"> › Has suppliers I know and trust › Has good air transportation for attendees › Is a destination attendees would be enthusiastic about › Is a destination I would like to visit

Global Meeting Professionals Who Have Personally Visited Africa Regions

Northern Africa	41%
West Africa	15%
East Africa	8%
Central Africa	17%
Southern Africa	24%
I have not been to Africa	42%

(Source: Emerging Africa, April 2015)

A REGIONAL VIEW

A REGIONAL VIEW: Perceptions of Meeting Professionals and Realities of Africa as a Meetings Destination

The complete picture of African destinations fare in the minds of meetings professionals becomes more clear when comparing how the various regions are perceived on those characteristics most important to a meeting professional's likelihood to consider that region as a possible destination. This highlights 1) where regions excel or fall short in terms of possessing those qualities important to meeting professionals for selecting them as destinations, and 2) areas of priority for those regional development organizations charged with positioning their region as a destination of choice.

The table below summarizes which of the key consideration factors are perceived to be exemplified by each region. Generally speaking, respondents indicate only North Africa and Southern Africa are currently well-positioned as destinations for meetings and events.

While some global meeting professionals have experience with meetings/events in Africa and general knowledge of the continent, results of this survey suggest there are areas of misperceptions or lack of knowledge about each region. This section takes a closer look at the perceptions and realities across the African regions included in the study.

As noted earlier in this report, less than 50% of respondents are familiar with Africa and have experience with the continent. To better understand the market, below we'll look both at the point of view of all respondents, as well as those who have familiarity and experience with Meetings & Events in Africa.

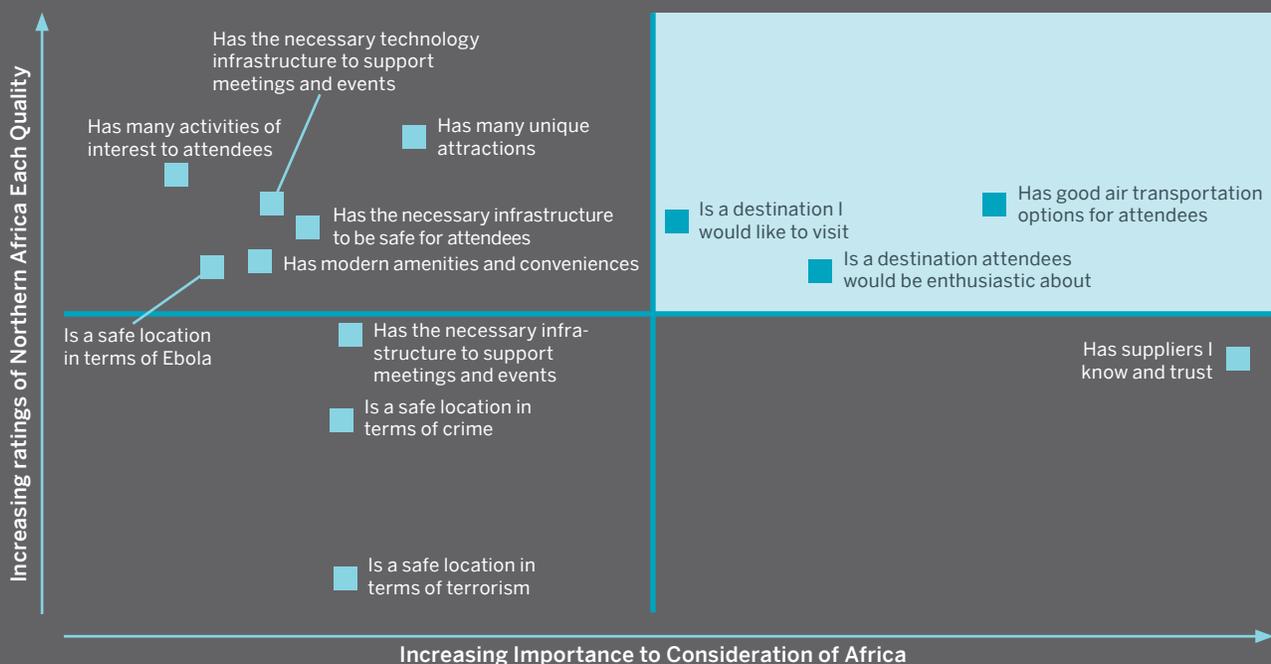
North Africa

North Africa rates highly on the majority of the characteristics, including those related to desirable activities and attractions, infrastructure, technology and amenities to support meetings. More importantly, the region is well-regarded in terms of being an interesting destination and having good air transportation, which are important to winning the consideration of meeting professionals. Having suppliers the survey respondent knows and trusts is slightly lower, but still strong for the region relatively speaking. Primary respondent concerns for the region are related to safety from both crime and terrorism.

It is important to note that the top three cities in Africa for new hotel openings all fall within this region. Marrakech, Algiers and Cairo lead the list of new hotel starts on the continent according to TOPHOTELPROJECTS GmbH.

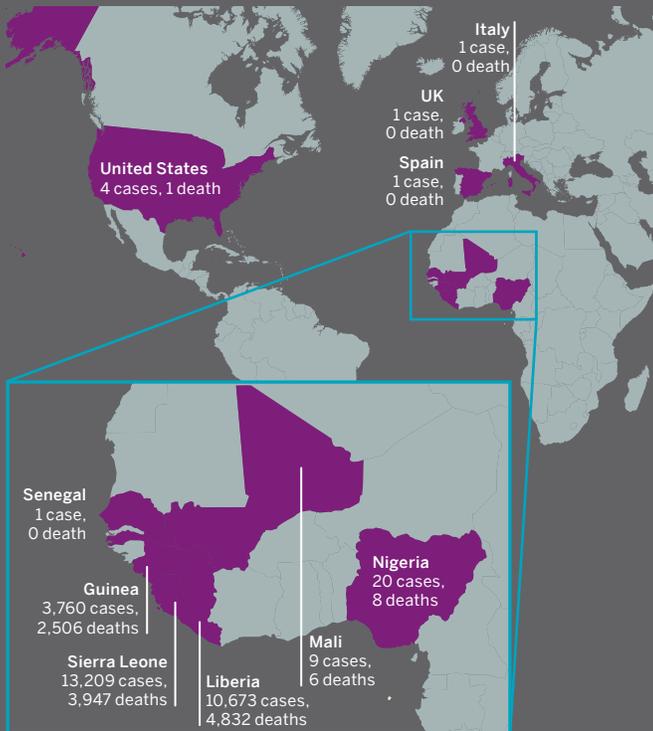
As a destination to visit and experience, North Africa bears resemblance to Middle Eastern cultures and contains ruins from Roman and Greek antiquity. In contrast, it is also a region among the most modern of Africa, with infrastructure and conveniences for visitors. Respondent rankings related to crime and terrorism likely relate to the political strife in Egypt and Tunisia, as well as war in Libya. Terrorism comes with this unrest.

Meeting professionals have a good sense of the pros and cons of meetings/events in North Africa. Those who have meetings experience with the region report good infrastructure, amenities, and technology that is both secure for attendees and able to support meetings/events. Additionally, they consider North Africa to present unique attractions and activities of interest to attendees.



Ebola Outbreak

Recorded Ebola cases



(Source: WHO Ebola Situation Report, July 2015)

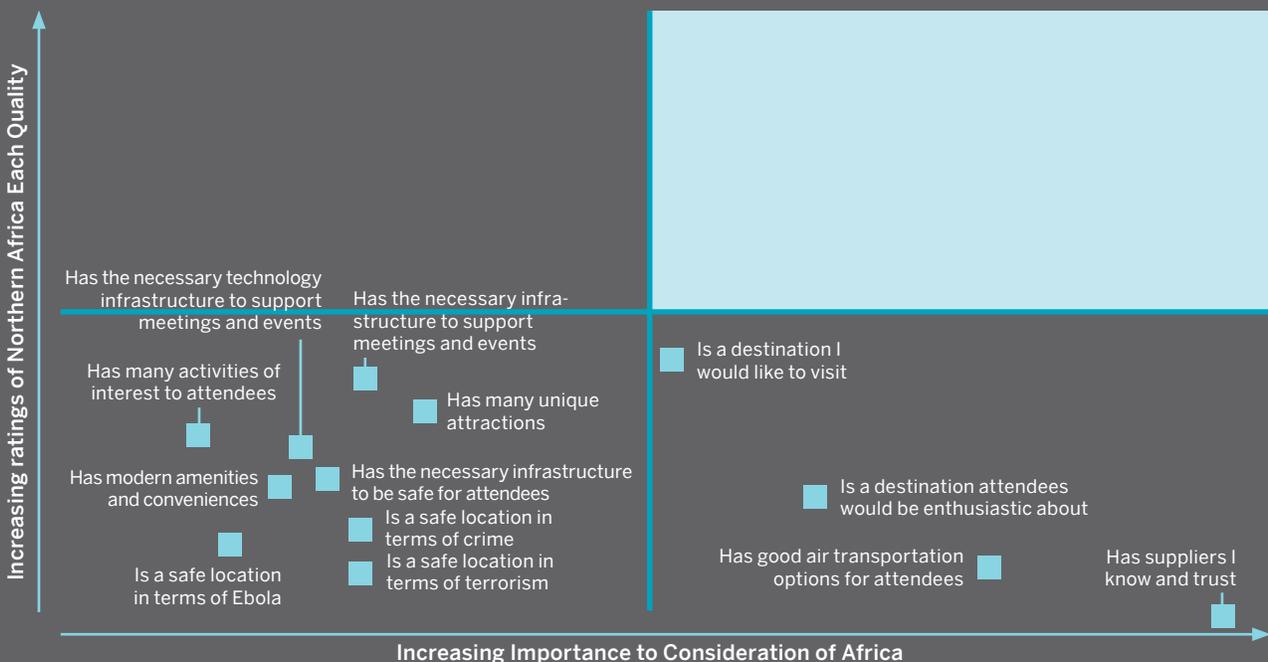
² World Health Organization, June, 2015

West Africa

Respondents indicate West Africa is the most problematic region relative to meetings and events. It inspires the least interest as reflected by meeting professional feedback. All characteristics related to infrastructure, amenities, terrorism, crime, and Ebola concerns are of concern to meeting professionals.

Most (67%) of meeting professionals consider themselves unfamiliar with West Africa.

While West Africa has plentiful natural resources, there are numerous realities in the region problematic to meetings and events. The region does not rate well on any meetings-related attributes, and most meetings in the region tend to be held by corporations or organizations with interests in the area. It is the region with Ebola cases in Sierra Leone, Guinea, and Liberia.² In addition, many countries in the region lag in terms of technology and other advances.

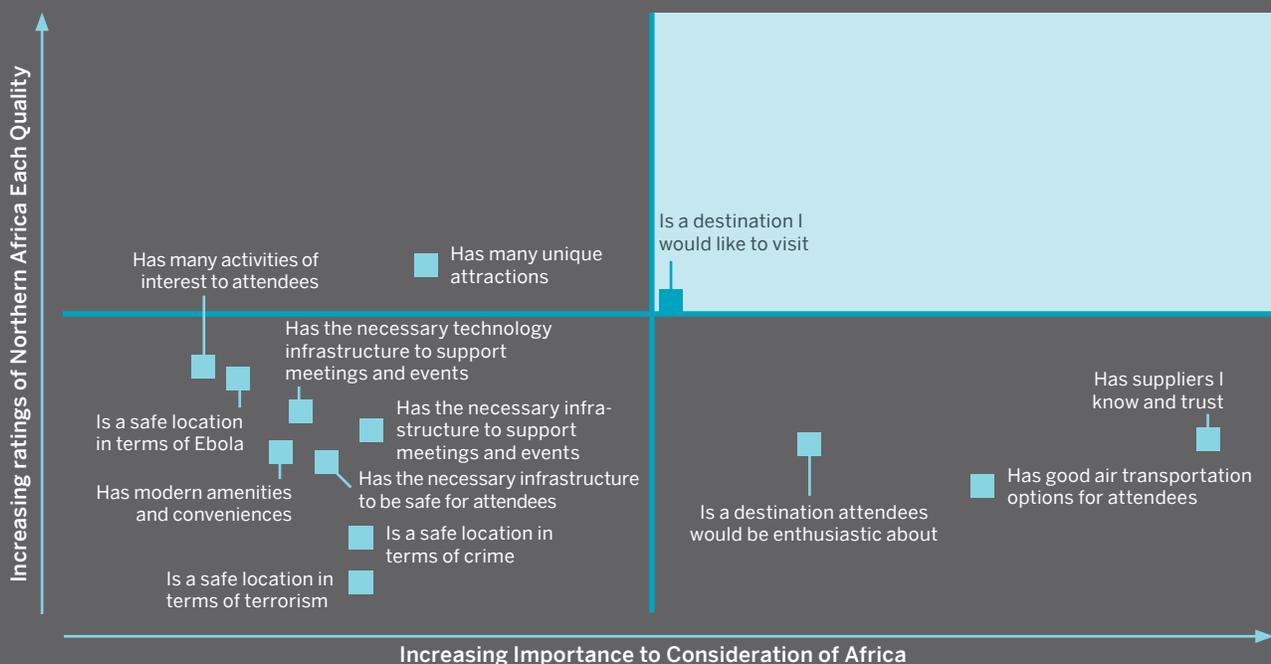


East Africa

East Africa is viewed as possessing many unique attractions, and meeting professionals would be interested in personally visiting that region. Positive perceptions end there. The region does not rate highly overall on any of the characteristics that come into play with holding meetings and events. Respondents also report concerns over safety and Ebola. While there have been no known or reported cases of Ebola in the region according to the July 2015 WHO Ebola Situation Report, respondents still express concern about the disease in this area of continent.

The majority (72%) of meeting professionals consider themselves unfamiliar with East Africa.

East Africa contains areas of natural beauty with the Serengeti extending into south-western Kenya. However it is also a region that has experienced its share of political violence and terrorism, most recently with the Shabaab in Southern Somalia and Kenya. Crime and corruption are issues for the region. East Africa is less well equipped than other regions related to technology infrastructure. However Kenya stands out in this region as a destination with meetings resources and venues able to support both large and small meetings, conferences and expositions. Major hoteliers have made investments in the area as well.



Central Africa

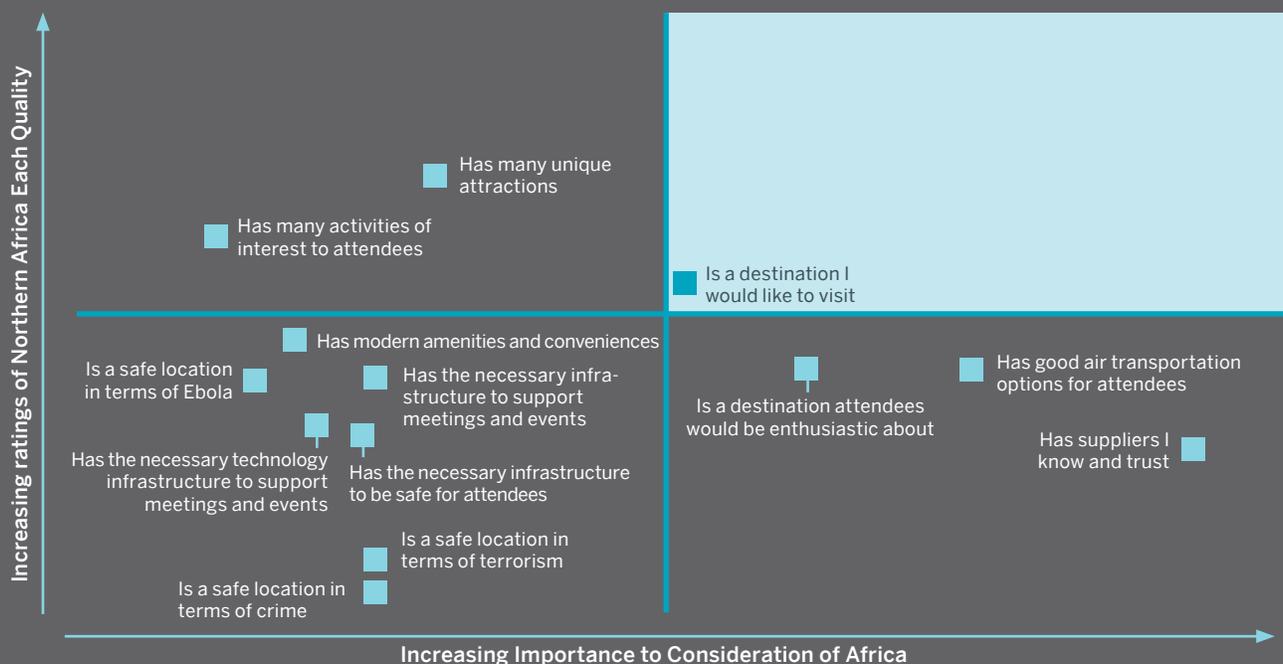
While results suggest meeting professionals themselves would be interested in visiting Central Africa, primarily safari destinations such as Congo and Tanzania, the region does not rate highly on any of the qualities that are important to meeting professionals when considering a destination including having suppliers they know and trust, or offering good air transportation. It is also not viewed as possessing the necessary technology or infrastructure to support meetings needs. Central Africa does score well in terms of possessing many unique attractions and providing activities of interest to attendees.

A full 57% of meeting professionals consider themselves unfamiliar with Central Africa. However, those with meetings experience in Africa recognize the many unique attractions and activities of interest to attendees.

Infrastructure and amenities, however, are generally viewed as lacking. Nor is it viewed by these respondents as safe in terms of crime or terrorism and to a lesser extent, Ebola, though no cases have been reported in the region as of the July 2015 WHO Ebola report.

Countries such as Zimbabwe, Tanzania and Congo host wildlife safaris, attracting incentive trips to the area. Convention facilities exist in some areas of the region, however other nations within Central Africa are among the poorest in the world.³ Meeting planners are clearly cautious about the region, where infrastructure and meetings readiness varies significantly by country.

³ New Republic World Report: "Hell is an Understatement." 2014

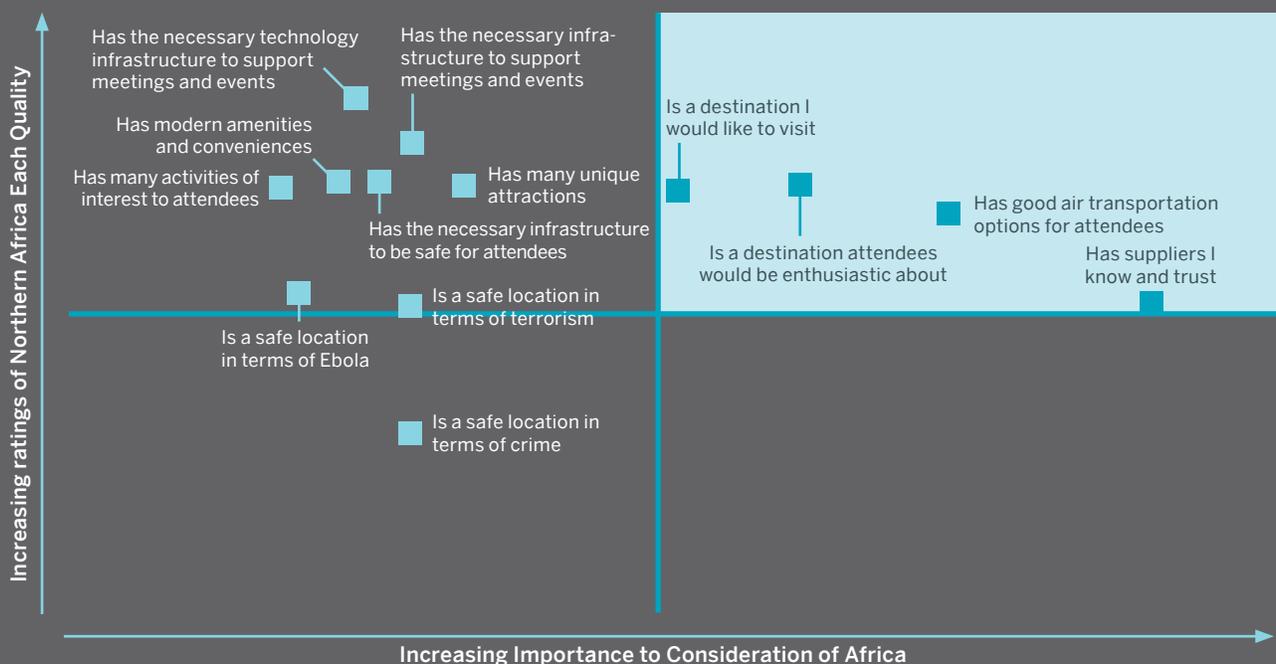


Southern Africa

Southern Africa is the most well-regarded of the regions studied in this report, and is viewed to exemplify those qualities most important to a meeting planner's consideration. In fact, the region rates highly in most areas, including those related to desirable activities and attractions, infrastructure, technology and amenities to support meetings. However, concerns over safety related to crime still exist.

With North Africa, Southern Africa is among the most modern regions of the continent. Southern Africa is the continent's largest economy and South Africa and Johannesburg are the most "western" of the continent. The region also contains abundant natural and wildlife attractions to visit and experience.

Those who have experience holding meetings in Southern Africa report the region possesses the infrastructure, amenities, and technology to be secure for attendees and able to support the demands of meetings and events of all sizes. They also report it holds unique attractions and activities of interest to attendees. Cities such as Johannesburg are also often used as a launching pad for visits that include safaris and explorations within Central and East Africa.



CONCLUSION

If meeting professionals “broad-brushed” all of Africa based on pockets of information about different regions, they would not be alone. In media and other dialogues, the very large and diverse continent is often broadly described in terms of poverty, violence, health crises, and other challenges. However, there are also areas of growth and opportunity and entities committed to improving the continent.

While Africa continues to face challenges, the economic growth and expansion of many global and multinational companies are increasingly driving meetings and events to the continent. The meetings and event suppliers inclusive of major hotel chains, airlines, convention centers and local visitors bureaus have an opportunity to work together to clarify misperceptions and highlight that which makes Africa a strong destination for meetings and events.

Meeting professionals should continue to educate themselves on the various regions and work with local bureaus and those experienced with meetings in Africa to help design successful experiences for their attendees. North and Southern Africa in particular are noted for their infrastructure and strong supplier base that can help demystify the regions, and create a meaningful, effective experience for attendees.

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