

SA, Zimbabwe to benefit from US\$60m hotel expansion

African Sun Limited announced on Tuesday, 8 September 2009, its expansion plans for its local and Zimbabwe operations to meet the influx of fans for the 2010 FIFA World Cup. Totalling US\$ 60 million, it will raise the hospitality group's capacity to 8500 rooms by 2012 from the current 3000 rooms.

It also recently indicated it would spend US\$ 15 million on face lifting its local hotels ahead of the soccer showpiece.

African Sun chief executive, Shingi Munyeza, said 75% of the expansion would be in the region and the remainder in Zimbabwe. This resolution came on the back of reports that there would be a massive shortage of accommodation in South Africa, which presented hospitality companies with a huge business opportunity.

More than 450,000 visitors are expected to descend in South Africa for the World Cup and 50,000 rooms would be required. South Africa is believed to have just over 32,000 hotel rooms and would experience an accommodation deficit of 18,000 hotel rooms.

SADC countries expect to cash in on the 2010 FIFA World Cup, as visiting teams would need time to acclimatise in countries with similar weather patterns as the host country South Africa. This was particularly the case, as visiting football teams would not be allowed to enter South Africa until 10 days before the tournament began. Football fans would also follow their teams to watch them in training and this meant more demand for accommodation in South Africa's neighbouring countries.

Against this background, Zimbabwe, Zambia and Botswana should not be ignored as countries that would be expected to absorb South Africa's spill over of demand for accommodation. Zimbabwe has 6700 hotel rooms, the second largest capacity in the region after South Africa.

Munyeza, who is the chairman of the Zimbabwe Tourism Authority, said they would re-engage Match, FIFA's accommodation company, for the country to be listed among countries capable of providing accommodation to visiting World Cup soccer fans.

African Sun is one of the fastest growing hospitality groups in Africa, having recently opened three hotels in Nigeria and managing the newly built Holiday Inn Accra Airport hotel in Ghana. It also represents The Kingdom at Victoria Falls, Elephant Hills Resort, The Victoria Falls Hotel, The Grace in Rosebank and The Lakes Hotel.

For more information, visit: www.africansunhotels.com.

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