



MARKET SNAPSHOT: TRENDS IN THE HOTEL AND TOURISM INDUSTRY

Dakar, Senegal

Voltere
by  egis

Shaping Tomorrow's Tourism

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SENEGAL

Senegal holds a prominent role in West Africa, benefitting from political **stability** and, since 2012, experiencing robust **economic growth**, strengthen its status as the **second-largest economy** in the West African Economic and Monetary Union (WAEMU).

- Population: 16,8 millions (2021)
- Area: 196,722 km²
- Political and economic capital: Dakar

- GDP growth: 2012 – 2022 CAGR: +5.1%
- Inflation 2022: 4% (-2.5 pts vs 2021)
- 2023 growth forecast: 10.1%



ECONOMY

- From 2014 to 2019, Senegal maintained an **average annual growth of +6%**, supported by reforms in agriculture, industry and the tertiary sector.
- In 2021, the Senegalese economy **rebounded**, surpassing its pre-Covid-19 level and resuming its upward trajectory. The GDP growth was +6.1% in 2021 and +4.8% in 2022, exceeding the +4.6% recorded in 2019.
- The outlook for the **medium term** looks **promising**, especially with the anticipated arrival of hydrocarbons by 2024 (Greater Tortue Ahmeyim (GTA) project in Saint-Louis).



POLITICAL SITUATION

- Senegal enjoys **long-standing socio-political stability**.
- The country plays a **key diplomatic role** in **resolving** military **crises** and in sub-regional politics.
- As the **upcoming presidential election**, slated for February 2024, approaches within a three-month timeframe, political tensions are intensifying. The conviction of prominent opposition figure Ousmane Sonko in June 2023 resulted in widespread and violent demonstrations across the country.



TERRITORIAL DEVELOPMENT

- Transport services in Dakar have significantly improved with the opening of the Dakar to Diamniadio **rail line** in December 2020. **An extension to the airport** is planned for 2024.
- The **airport** is currently undergoing **expansion** with the goal of accommodating **10 million passengers by 2025**.
- Public projects such as PUDC and Promovilles, designed to **promote territorial equity**, are playing a crucial role in achieving nationwide coverage.
- The **urban hub of Diamniadio** is continuing its development as a **"Smart City"** to accommodate new activities.



Casamance



Sahel



Île de N'Gor



Saly



DAKAR

Dakar, serving as Senegal's administrative, political, and economic nucleus, plays a **pivotal role** in the country's development. **Continuously evolving**, the city has transformed into a **lively and dynamic metropolis**, enriched by a **unique cultural identity**.

- Region: Dakar
- Population: 1,2 millions (2023 estimate)
- Density: 10,331 inhabitants per km²
- Area: 12 100 ha
- Districts: 4 (Almadies, Dakar Plateau, Grand Dakar, Parcelles Assainies)



A STRATEGIC GATEWAY

- Located at the **crossroads of the main maritime trade routes** between Africa, Europe and the Americas, and the **3rd largest port in West Africa** after Lagos and Abidjan, Dakar is a **major commercial hub** in West Africa.
- Dakar is also an **economic hub** of choice for the African or **regional headquarters of international organizations**, foreign companies and non-governmental organizations. The Senegalese capital has emerged as a **secure alternative** to Abidjan during tumultuous periods in Ivory Coast, and the institutions established there during that time persist to the present day.



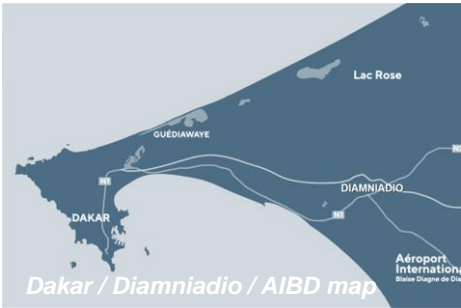
AN URBAN AND CULTURAL HUB

- Dakar, with its **pleasant coastal living environment**, is undergoing **rapid and sometimes unregulated urbanization**, leading in an **unbalanced urban structure**. Consequently, the development of **Diamniadio** seeks to relieve Dakar's congestion by relocating specific key institutions through new real estate projects, **ultimately enhancing the attractiveness of the area**.
- Dakar stands as a **vibrant artistic center**, characterized by its **cultural appeal**, highlighted by globally **recognized events** like the Biennale of Contemporary African Art and Fashion Week.



DEVELOPMENT OPPORTUNITIES

- **Urban development and infrastructures:** (1) Extension of the BRT line between Guédiawaye and Dakar scheduled for 2024. (2) Start of work on the Dakar-Tivaouane-Saint-Louis freeway in 2023 to handle the increase in traffic linked to hydrocarbon development.
- **Dakar tourism projects under the 2nd phase of the Plan Sénégal Émergent:** (1) promotion of cultural tourism, (2) development of seaside resorts along the Dakar coast, and (3) investment in staff training to guarantee a quality tourism experience.

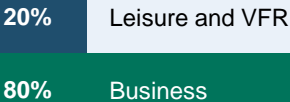


A GROWING TOURIST ACTIVITY

- Dakar plays an **essential role** in the **Senegalese leisure tourism** through **iconic sites** such as Gorée Island, focusing on **memory tourism**.
- Dakar is also a **major destination for business and MICE* tourism**, thanks to its position as the gateway to West Africa and its economic growth. The city is reinforcing its **status** as a **MICE hub** thanks to the **recent infrastructure developments** at **Diamniadio**, offering the possibility of hosting **major events**.
- In parallel, **Dakar's rise** as a **cultural and artistic hub** in the sub-region fuels the hosting of events such as the Dakar Biennale and the Chanel fashion show (12/6/22), **generating significant international tourist activity** in the city.
- Dakar is enhancing its status as a **strategic air hub**, providing extensive **connectivity** to **Europe** and the **United States**. This expansion strengthens the city's position as a **crucial hub** in the sub-region.
- In response to this growing activity in both the business and leisure sectors, the **development of projects is constant**, extending also to the **intermediate zones** between the urban hubs.
- This dynamism clearly attests to **Dakar's attractiveness** while also emphasizing the **need** for a **new infrastructure offering**.

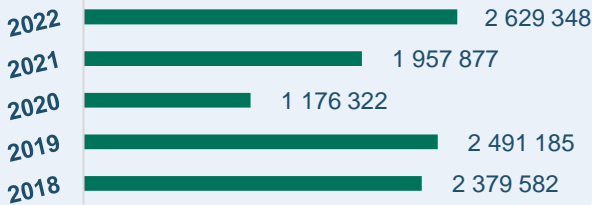
* Meetings, Incentives, Conferences, and Exhibitions

Reason for visit



* Visiting Friends and Relatives

Passenger traffic at Blaise Diagne International Airport (2018-2022)



Estimated hotel performance in Dakar - 2022 (Var. 2022/2021)



65.1% + 15 pts

Occupancy rate



137,500 CFA + 10 %

Average rate



89,500 CFA + 42.9 %

RevPAR

Source: Voltere by Egis



Pullman Teranga, Plateau



Terrou-Bi Hotel, Fann-Hock



Radisson Hotel Dakar Diamniadio



Onomo Hotel, Yoff

A STRUCTURING HOTEL MARKET



HOTEL SUPPLY

- The Senegalese hotel market comprises approximately **250 hotels**, with **Dakar representing 25%**. Around **2,232 rooms** (distributed among 14 hotels) stand out, **meeting international quality standards**.
- The **mid-range segment** significantly dominates this benchmark hotel offering (45%), while the **economy** segment is less represented (14%). Currently, the Plateau district concentrates **most available rooms** in Dakar's benchmark market.
- Enhancing this selection are standalone **"lifestyle" boutique hotels**, primarily situated in the upscale segment, such as Seku-bi, The Palms Luxury Boutique Hotel, La Résidence, Le Boma, etc..

By 2029, the **reference hotel market** should experience a **notable increase** of approximately 20% (applied materialization rate) in its number of rooms, particularly in the **upscale and mid-range segments**.

The **Almadies** area has the highest number of planned rooms.

Flagship projects – estimated opening date:

- Golden Tulip (118 rooms) in the Plateau district - 2024;
- Yaas Hôtel Dakar République (70 rooms) in the Plateau district - 2024/25;
- Two hotel projects in the Almadies district: a Sheraton and an Aloft (250 and 150 rooms respectively) - 2026.



HOTEL DEMAND

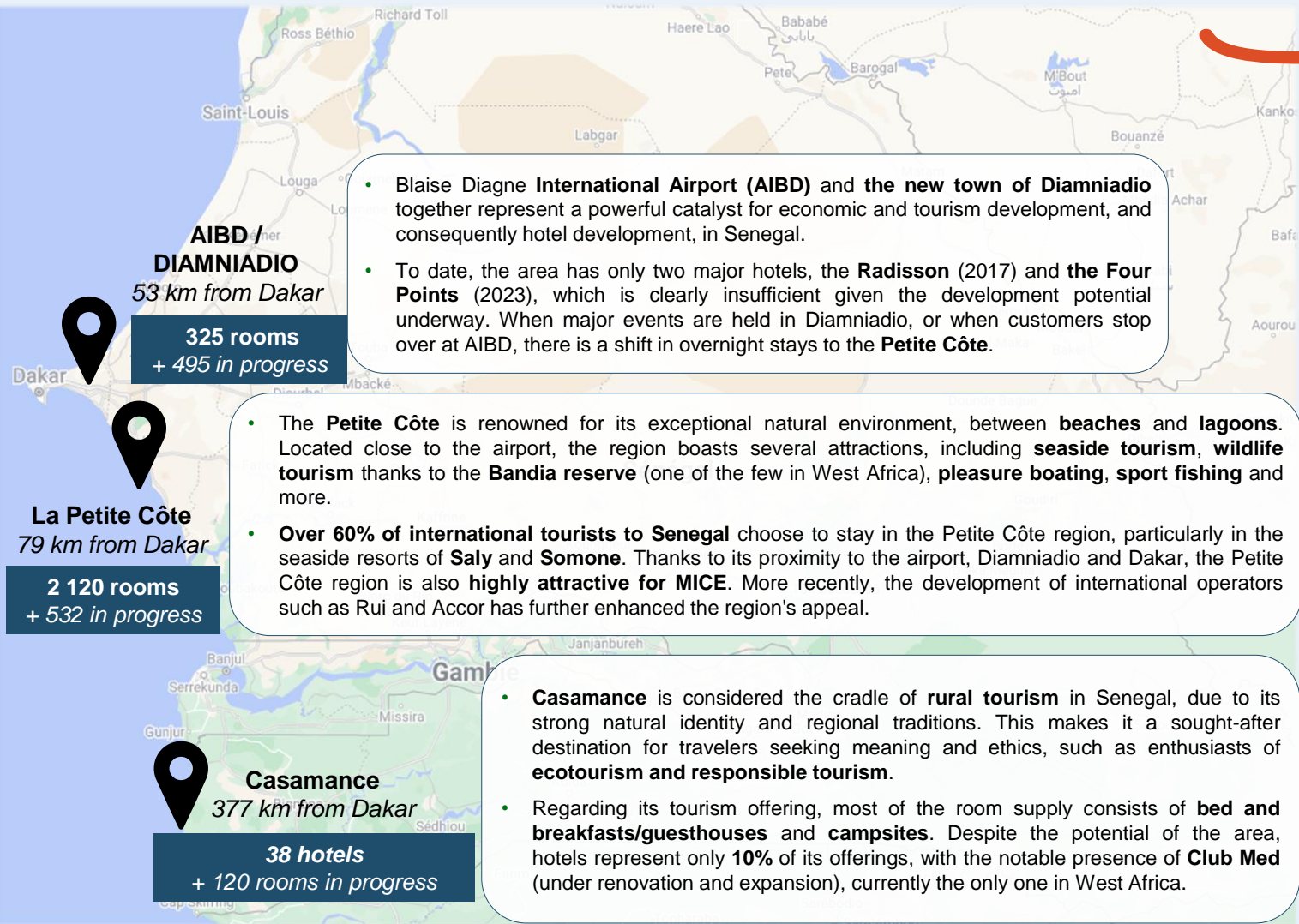
- **Business customers** account for **most of the demand**. They are complemented by MICE and corporate customers.
- **Leisure clientele**, although **growing**, remains limited. This demand is driven either by **large-scale public events**, or by tourists in **transit** who stay in the city for a night before heading off to another destination. There has also been a **significant increase** in the number of weekend and evening **stays** by domestic guests, who are eager to take advantage of the hotel's restaurant and pool facilities.
- The pre-Covid period was marked by a strengthening of hotel performance; the health crisis led to a **drastic drop in performance between 2020 and 2021**. A return in demand began at the **end of 2021** and was reinforced in **2022** thanks to numerous events between Diamniadio and Dakar.
- Despite **strong business growth** in early 2023, a period of slowdown is anticipated in the second half of the year due to the tense political context and the presidential elections scheduled for February 2024.

In the short term, we anticipate a return to pre-pandemic demand (2019 levels) by 2024, punctuated by major events (Biennale, Dakar YOG in 2026). However, despite an **increase in the number of overnight stays**, the arrival of new offers should keep the average occupancy rate stable.

In the long term, the **international business clientele** will continue to be **predominant**, while the **expansion of regional business clientele** will contribute to the overall growth of tourism activity. **Dakar's cultural richness and historical heritage** should also boost demand.

The GTA oil project is expected to influence **long-stay demand** in Dakar, but most of this demand is likely to pass through the city before heading for Saint-Louis.

EMERGING TOURIST DESTINATIONS



With a growing tourist demand, both nationally and internationally, and a marked interest in more unconventional tourism, opportunities are emerging for destinations that have been less popular until now:

- Saint-Louis, just a few hours' drive from Dakar, offers travelers a rich immersion in history, with its beautifully preserved colonial architecture, lively festivals and unique ambiance;
- Located approximately 3 hours by car from Dakar, the Siné Saloum region offers an authentic immersion in pristine nature, featuring picturesque coastal landscapes, traditional fishing villages, and diverse wildlife. Far from the urban hustle and bustle, this area provides a peaceful and culturally rich experience.

These destinations highlight the substantial potential of new tourist horizons outside Dakar and the Petite Côte, presenting promising investment opportunities for the hospitality sector.



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