

Hospitality industry bears the brunt of the black swan event that is Covid-19

By [Mark Havercroft](#)

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Black swan events are those rare and unexpected events, which other than the birth of its namesake invariably have severe consequences whenever they occur as the course of history tells. Crucially such events are followed by a period of reflection to both rationalise the consequences and to plan for the new normal that must follow.



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The hospitality industry will arguably be economically the sector hardest hit by Covid-19 across the globe. On the Africa continent, touted as the last frontier for significant future development, needing strong partnerships forged between the public and private sectors in order to fast-track recovery.

Recent black swan events have included the 9/11 attacks in 2001 on the Twin towers in the United States, the global financial crisis of 2007, and depending on your view the 2016 Brexit vote. None of these, however, had the far-reaching impact that Covid-19 will have on every society, the world economy and on the hospitality industry in particular.

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In an industry that accounts for 10% of the global GDP, the World Economic Forum has predicted that some 50 million travel and tourism jobs will be lost globally. Compounding the situation is the fact that the industry is only likely to get a shot at recovery after the outbreak is over and could require an additional year on top of that for stability to return.

Estimates are that Asia's hospitality industry will be worst affected by the fallout of Covid-19, accounting for around 30 million of the 50 million total jobs that will be lost. The United Nations is also predicting that at least two million direct and indirect jobs will be lost in the travel and tourism sectors across Africa, amounting to a loss of at least US\$50bn.

Recovery measures and processes

To counteract the catastrophe, and plan for an effective resuscitation process, the United Nations World Tourism Organisation has called on governments to prioritise the entire tourism sector in future recovery efforts, requesting nations

to fast-track essential financial and political support for recovery.

In addition, plans for recovery measures and incentives must be structured so they can be implemented in coordination with international organisations, and tourism must be included in all broader plans and actions for recovery in affected economies, the UNWTO urges.

The African continent has, in many ways, emerged as the last frontier for development and expansion in the hospitality industry, along with many other economic sectors. For those brands that have already entered this market, this may prove to be their saving grace when it comes to the gradual reopening of the hospitality industry post-Covid-19, and embedding that recovery within other economies on the continent.

It was, in fact, the concept of Africa being the last frontier for the industry that brought our own group Minor hotels to the continent in the first place, with an eye to capturing its ever-expanding local traveller market. Pre-Covid-19, it was recognised and generally accepted there is a need to accommodate a wider range of both leisure and business travellers, seeking lower consumer price points.

Africa will rise

With countries now set to place an emphasis on, first and foremost, recapturing their own local markets, this gives those brands in Africa that have already been concentrating on these new market travellers a leading edge when it comes to recovery.

Ultimately, travellers will first look towards – and trust – what they know and can see close to home. When the confidence to begin to travel again, this is where Minor Hotels, for example, positioned themselves from the get-go - ready to serve the market across the broadest spectrum in countries such as Zambia, Mozambique, Namibia, Lesotho, Botswana Mauritius and Seychelles

There is no doubt the shocks to our industry have and will continue to be severe, but confidence will return, and the future of the hospitality industry in Africa will be on the rise once again.

ABOUT THE AUTHOR

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