



# The Mövenpick Ambassador Hotel, Ghana

## *Restoring a Landmark to Former Glory*

The Ambassador Hotel Accra was originally developed by the United Kingdom and presented to the government of Ghana as a gift on the attainment of independence in 1957. Once a national heritage, the building degenerated over the years until it was disposed of by the state. The Ambassador was given a new lease on life in 2006, when the old establishment was demolished to give way to a modern five-star luxury hotel.

The reconstructed hotel was developed by KHI Ghana Limited, a subsidiary of Kingdom Hotels Investments (KHI), a leading global hotel and resort investment company with operations in emerging and frontier markets across Asia, the Middle East, North Africa and Sub-Saharan Africa. KHI Ghana agreed under a 50-year concession to invest \$104 million in rebuilding the Ambassador Hotel into a five-star luxury hotel under the management of the upscale Mövenpick brand with space for offices and retail. The 2008 global financial crisis made it difficult for KHI to secure long-term capital, so IFC stepped in to refinance a \$46 million credit line.

Since its opening, the Mövenpick Ambassador hotel has been a great success, and it stands as the RevPAR (Revenue Per Available Room) leader in the Accra market today.

## Development Impact: 2014 Snapshot

### **Contribution to GDP**

- The hotel contributed just under \$24 million to Ghana's gross domestic product

### **Total Tax Contribution**

- The hotel paid \$2.4 million in taxes. The Mövenpick's contribution to tax revenues is set to increase in 2016 when a tax holiday agreement negotiated with the government expires.

### **Labor Market Impact**

- The hotel has created 300 direct jobs, and supports an additional 3,200 jobs through indirect and induced channels. A majority of those jobs are filled by Ghanaians, many of them women and youth. Over a quarter of the hotel's Ghanaian direct employees are aged 29 or under, and 38 percent of national employees are female.
- The hotel is a training center for employees who gain relevant skills, including transferable soft skills. This labor force development facilitates broader social mobility and human capital formation.

## Development Impact: 2014 Snapshot

### Supply Chain Benefits

- Local suppliers, the vast majority of whom are SMEs, have developed strong linkages to the hotel as a result of its procurement strategy of securing local goods and services when possible.
- The hotel's demanding standards and training of local suppliers had a positive impact on the quality control of goods and services and local workforce skills, which extended beyond the hotel to the broader economy. Suppliers gained a significant boost to reputation which resulted in opportunities to work with other hotel groups later on.

### Spending by Guests Outside the Hotel

- Quantifying guest spending outside of the hotel is difficult. Estimates based on economic modelling and guest interviews suggest that the total spending of guests in the local economy ranges between \$3.4 million and \$9.6 million.

### Demonstration Effects

- The hotel's presence as a high-end facility has attracted international and regional events in Accra, which in return has brought spill-over benefits to the wider economy.
- Possibly linked to the success of the Mövenpick's conference center, there have been recent investments in conference facilities by other hotels.

### Other Social and Environmental Impacts

- Since 2012, the hotel has been awarded a Green Globe certificate, which is a global travel and tourism industry certification program for sustainable tourism.
- Seeking to engage local artists in recreating pieces from the old Ambassador Hotel, as well as producing original artwork, the Mövenpick established "Art Academy." Today, the Mövenpick houses more than eight hundred pieces of Ghanaian art including wood carving, textile weaving, and paintings.



## Transferring Better Standards

*Big Gyimah* is a small business that has been selling fruits and vegetables to the hotel since 2012. Since then, the business has grown from three to eight employees, and its sales to the hotel have increased from \$1200 per month to \$5000, about 40 percent of its business. Seventy to 80 percent of its produce is sourced from female farmers. Since the Mövenpick Ambassador abides by international standards for hygiene, Big Gyimah has had to adopt these high standards for food safety. This has helped this supplier raise its reputation in the market and improve the quality of its products for other customers.

## Creating a Career Path

*Edmund Yemoh Mensah* joined the Mövenpick Ambassador in 2011 as an Income Auditor. He showed leadership qualities that led to a quick succession of promotions, to Senior Accountant and then Chief Accountant. He is now in the position of Assistant Financial Controller.