Azalaï Grand Hotel (GH), Mali

Long-term Partnership for Development

Mossadeck Bally is a Malian businessman who, backed with IFC financing, invested in The Grand Hotel, a colonial-era hotel in central Bamako, privatized by the Malian government in 1994. The hotel required extensive renovations. Total cost of the project was $2.6 million, with just under $1 million financed by IFC. IFC made a second loan of $1.68 million in 2003 to continue improvements to the hotel. Today, the Grand Hotel is a destination for business travelers, and Mr. Bally has built up the Azalaï Hotels Group, a chain of seven business hotels spread across four countries in West Africa.

The Azalaï Grand Hotel’s development impact in Mali—a conflict-affected country located in the Sahel where almost half the population lives in poverty—has been significant. Though business travelers account for the majority of visitors, today Mali has the second largest number of World Heritage sites in West Africa—cultural assets with potential for developing a leisure travel industry.

Development Impact: 2014 Snapshot

**Contribution to GDP**
- The hotel contributed $3.23 million to gross domestic product

**Total Tax Contribution**
- The hotel paid $494,000 in taxes to the Malian Government.

**Supply Chain Benefits**
- The Azalai Hotels Group proactively seeks to incorporate local Malian SMEs into its supply chain. The Group established a semi-independent organization called the Centrale d’Achat et de Distribution (CAD), which acts as a bridge between Azalaï’s four hotels in Bamako and the local market, allowing them to cope with accounting challenges which arise from operating in a highly informal economy.
- CAD supports improvement of product standards for the SMEs, and provides them with a secure and stable source of demand, underpinning their growth and success.
- Suppliers said their market reputation improved as a result of working with the Azalaï Group, due to training and improvements in product quality.
Development Impact: 2014 Snapshot

Labor Market Impact
- The hotel directly employs 74 people, and salaries paid by the hotel are on average ten times local minimum wages.
- The hotel’s overall operational activity sustained more than 900 jobs, through suppliers and consumer spending by employees.
- The size of the group made it possible to retain employees during the 2012 coup and conflict, when the hotel was forced to close for eight months.
- The hotel offers job-specific training and life-coaching through its Azalaï Hospitality Training Academy. The group is overcoming skills gaps in the local labor market, allowing the Grand Hotel to become less dependent on expatriate labor over the course of its operational history. Across the Group’s activities, 170 interns were trained in 2014, of which 55 percent were women, in the sectors of catering, room service, reception, and administration.
- The group is pioneering a job-training program for local students, demonstrating a solution for widespread youth unemployment.

Spending by Guests Outside the Hotel
- Estimates based on an analysis of guest questionnaires show guest spending outside the hotel ranges between $1.7 million and $2.8 million.

Demonstration Effects
- The Grand Hotel’s success, as well as the growth of the Azalaï Group in the region demonstrated the viability of Mali’s hotel market and has sparked investment interest in Bamako’s hotel sector, particularly from international groups such as the Radisson, Onomo Group and the Sheraton.
- In addition, the chain’s success in the region has sparked interest among similar chains in Africa such as the Senegal-based Telyium Group, which is planning an extensive expansion throughout the West and Central Africa as part of its development plan.

Other Social and Environmental Impacts
- The hotel has implemented several corporate social responsibility initiatives, for example, participating in the United Against Malaria (UAM) campaign, and the distribution of in-kind goods and bonuses during the traditional holiday of Tabaski and the new school year. These gestures have helped develop a positive and a strong relationship between the hotel and the employees.
- The hotel has implemented international standards in areas like sewage treatment, solid waste disposal, power and water conservation, fire and life safety and employee safety and training.

Creating Opportunity for Small Business

Express Gravures et Imprimeries is a printing business established in 2002 by an entrepreneur named Konary Issa. After winning a contract to supply the Azalai Hotels Group, Konary was able to establish a formal office and hire employees. Today, the print shop provides notebooks, printed materials, and embossed papers to Embassies and the hotel group accounts for about a quarter of the firm’s business. The company’s employees have learned a trade, and some have started their own businesses.

Creating a Career Path

Cisse Adama Malik joined the hotel restaurant in 2008 as a dish washer. Since then, he has been promoted three times to his current job of “Chef Qualifié”, and his salary has tripled. Cisse said training provided by the hotel has helped him rise to his more senior position, a role where he will have responsibility for training more junior employees.