



**Horwath HTL**

*Hotel, Tourism and Leisure*

MARKET REPORT

**Senegal**

DECEMBER 2018



### 2017 Country Data Profile

Data Profile 2017	
Size (sq km)	200.000
Population (million)	16
Demographic growth (%)	3
Urban areas > 1 Million*	Dakar: 2.5
Secondary urban areas > 100 thousand*	Pikine: 900,00 (adjoining Dakar)
	Touba: 500,000
	Thiès: 300,000
	Saint-Louis: 200,000
Last/Next presidential elections	2012 / 2019

\*ANSD Projections 2018

Source: Agence National de Statistique et de la Démographie-Sénégal

### General Environment

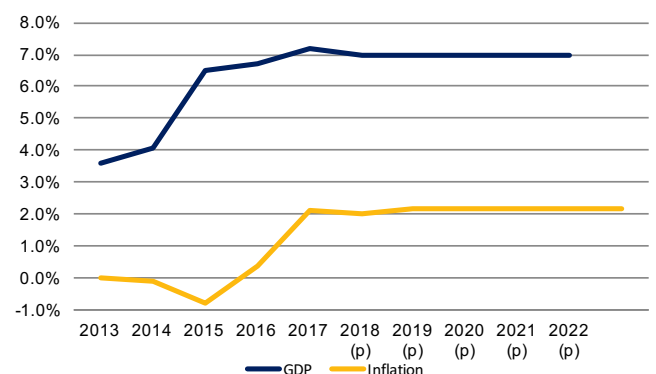
Senegal benefits from a strategic location on the West coast of Africa bordering the North Atlantic Ocean, and represents a gate-way to the landlocked Sahelian countries. According to United Nations projections, the population of Senegal should reach 40 million by 2050, underlining the great potential for the domestic market.

### Political & Economic Environment

In 2012, Macky Sall, the current president won the election. He has launched a series of economic and political measures, generally well received by the local population.

Nevertheless, like its predecessors, the current government is struggling to find a solution to the Casamance conflict with the separatist movement, straining relationships with Gambia to the south. Some progress has been made though, firstly by the release of two soldiers from the Mouvement des Forces Démocratiques de Casamance (MFDC) in early January 2018, and the ongoing construction of a bridge between Senegal and Gambia. In recent years, Senegal's economy has been marked by stability and low inflation, including monetary stability due to euro parity for the CFA franc. On the macroeconomic level, since 2015, the country has experienced one of the highest growth rates among the UEMOA (Economic Union and West African Monetary) countries.

### Evolution of GDP and inflation in Senegal from 2013 to 2022



(P): Projections Source: IMF and World Bank, 2017



The government launched the Emerging Senegal Plan (ESP) which aims at increasing the productivity of Senegal's economy in strategic sectors (infrastructure, agriculture, mining and tourism), between 2014 and 2018, with an average of 7% growth and the goal to position Senegal as an emerging economy by 2035. Large infrastructure and urbanization projects under the ESP include:

- **The Diambiadio urban pole:** a new town built to ease up congestion in Dakar, including relocation of certain Ministries and public institutions, with more than 300 000 inhabitants expected by 2020;
- **The "West Africa Business Centre":** aims at transforming the former site of the LSS airport into a military airport and aerodrome, and to develop its surroundings with residential homes, commercial, financial, administrative services and multinational head offices;
- The creation of **Dakar Integrated Special Economic Zone** (DISEZ, a logistic and industrial hub located near the Blaise Diagne Airport).

However, the country faces a number of structural obstacles, such as the relative lack of natural resources in relation to neighbouring countries. Despite a challenging business environment as shown by placing 140th in the 'Doing Business 2018' report, the country's economy remains resilient.

Over the medium term, Senegal economic growth prospects are positive. From 6.5% in 2015, GDP is expected to reach 7.0% in 2018, mainly supported by the agricultural and industrial sectors. Volume of exports (phosphate, peanuts, and zircon) increased by almost 15% in 2016, underpinned by a more diversified base in agriculture, fishing, and mining. The good economic perspectives are also driven by a growing domestic market, benefiting from an important demographic growth with an increasing number of graduates.

In the long term, the country, which already exports refined petroleum products, is expected to benefit from the discovery of significant crude oil reserves. Production of the first barrels should start by 2019-2020.



## Tourism

With an average contribution of 10% of GDP and 9% of total employment in 2017, the tourism sector holds a key role within the country's economy. Senegal was the favourite destination in West Africa for a long time, especially for beach tourism, thanks to a reasonable distance from European countries (the main source of tourists) with no time zone difference, a stable and safe environment, comfortable climate and rich natural and cultural heritage (700 km of coastal beaches, 6 National Parks, 7 UNESCO world heritage sites) and accommodation of a decent international standard.

However, the sector suffered from a lack of investment during the 2000's, as well as strong erosion along the Petite Côte. More recently, the sector seems to be recording a recovery in response to a series of key measures launched by the government in 2015 to boost the tourism sector (decrease of passenger fees, waiving of the visa fee, new tourism national agency, etc.). The authorities' ambition is to place Senegal as part of the top five tourist destinations in Africa with 3 million visitors per year by 2023. In 2015, France (27%), China (18%) and countries of the subregion (39%) provided more than 85% of international arrivals into Senegal. Due to the political stability, a large number of nationals from the subregion have also invested in the country.

They are used to spending week-ends and holidays in Dakar and la Petite Côte, considered as 'peaceful destinations' compared to some other neighbouring areas. Today, tourism sector in Senegal remains one of the most diversified in the sub-region through:

- Business and MICE mainly concentrated in Dakar (the city hosts several international organizations and companies' headquarters) is extending towards two secondary and complementary poles which include Blaise Diagne International Airport/Diamniadio with crew, transit, large conferences demand; and Saly which is expected to evolve around a smaller MICE activity.
- Leisure along the Petite Côte region, characterized by seaside and nautical activities. La Somone and Saly, the two historical poles promoted by tour-operators are now "ageing". New poles are currently in development and include Pointe-Sarène and Nianing.
- Culture and history around Dakar in the island of Goree (slavery commemoration) and art events (Dakar Biennale of Contemporary African Art, etc.), historical vestiges and festivals in Saint Louis and finally in Touba, the capital of Mourides (annual pilgrimage which attracted an average of 2.5 million people in 2017).



- Nature and eco-tourism mainly around Sine Saloum and La Casamance, currently underexploited (Club Med being the only international brand in the region) due to political, security and accessibility issues. Other sites of interest include the Lampoul desert can be developed.

### Leisure Market in Senegal

Like many countries in the sub region, the Senegalese leisure supply is mostly concentrated in the capital city. The other products are to be found on the coastline destinations of Petite Côte. The launch of Diamniadio new City provides opportunities for innovative leisure equipment. Other main cities inside the country have few leisure products.

Since independence, leisure have most often been developed inside hotel resorts. Nevertheless, since 2010, new projects have been launched and some standalone sites have become specifically dedicated to leisure.

Horwath HTL divides leisure activities into 4 categories:

- Cultural leisure and entertainment such as heritage sites, museums, galleries, cinemas, theatres, concert halls
- Fun leisure such as: theme parks, gaming areas, bowling, casinos and night clubs, shopping centres, adventure activities (paint-ball for instance)
- Sport and wellness leisure such as: stadiums and arenas, swimming pools, golfs, wellness centres/spas
- Nature leisure such as: parks, reserves for animals, treetop adventure courses, diving clubs, surf camps, pony clubs, sailing camps

It is also important to distinguish merchant leisure activities to non-merchant ones. Above a certain price, the majority of the population cannot be expected to spend its money for leisure. Nowadays, the most affordable activities are cultural activities depending on public support. Apart from areas accessible to all, the majority of leisure sites in Senegal can only be attended by a small, but growing, part of the population. Nevertheless, some initiatives from companies like Canal Olympia tend to generalize access to activities that used to be reserved to the more privileged.



## Dakar region leisure market

As the biggest economic and demographic centre of the country, the majority of the leisure products are concentrated in the Dakar region.

### Building demand for the leisure market

Dakar has the most important workforce in Senegal. 70% of the capital population is actively employed. The region is young and dynamic, with more than 50% of inhabitants under 20 years of age, thus urban master planning is a crucial issue for the capital. Between 2013 and 2017, the Dakar population has grown by 12,5%. Demographic projections of the population in the region are high; although these will be partly housed by the Diamniadio and Pink Lake urban schemes.

Senegalese Households' consumption expenditure projections for the year 2021 could represent nearly 15 million Euros. In this context, the Dakar region (including Diamniadio) could contribute 45% of the overall expenditures. The average spend per Dakar inhabitants is almost three times bigger than for the rest of the country. Oil exploitation in the North of the country by 2019 should enhance the Households' consumption expenditure going forward.

## Cultural Leisure & Entertainment - Dakar region

Dakar hosts two national theatres: the Grand Théâtre National (1,800-person capacity) and the national theatre Daniel Sorano (1,000-person capacity). The French Institute also has an amphitheatre with a 500-seats capacity where shows and concerts can be organized.

Until recently, movies were shown in restaurants or halls. The most popular place to watch a movie was the dome next to Sea Plaza shopping mall. The supply of cinemas has changed with the opening of two new cinemas in Dakar. Canal Olympia Terranga (300-person capacity) opened in May 2017 and has an outdoor stage where concerts can be held. Launched by Vivendi Group, Canal Olympia is a network of 9 cinemas spread across Senegal, Benin, Cameroon, Guinea, Burkina-Faso, Togo and Niger. Entrance tickets are 2,5€, with the business plan on a medium to long term analysis. Another cinema complex has opened within the Magicland theme park: Ousmane Sembene cinema complex. It has three projection rooms, including a small 5D room. The ticket price for a 2D projection is 3€.

Dakar has five public or private museums, a few heritage sites and more than dozens of art galleries. These places benefit from a good visibility during cultural events, especially the 'la Biennale de Dakar', which is dedicated to contemporary African art and held bi-annually during May in Dakar.



### Fun Leisure in Dakar region

The majority of the supply of indoor fun leisure is spread around the city without a real identified structure. Some small independent actors have launched activities such as paintball or children playgrounds across the capital. Night life-oriented leisure like casinos and night clubs are located in Dakar business district “Le Plateau” and in upscale residential districts. They attract both Senegalese and foreign clientele.

Nevertheless, two types of fun leisure activities stand out from the rest: Magicland and the Sea Plaza. Magic land is the most advanced example of a theme park in Dakar and Senegal. Inaugurated in 2004, this complex includes nine attractions and carousels for children, but also a hotel, a concert room, a swimming pool with toboggans and two football fields. The price of the entrance ticket for the attractions is around 4€ per person. It is mostly attended by middle-class Senegalese families. Magicland was completed by Ousmane Sembene cinema complex in March 2018.

Sea Plaza is the other leisure area in Dakar. Located next to the Radisson Blu hotel, Sea Plaza was a pioneering product in the country as the first shopping mall in Senegal. It was developed by Teylium and inaugurated in 2010. The complex hosts 84 brands, a supermarket and a food court. With “Red Game”, it also provides leisure activities with a 1,700 sq m area including a bowling, video games and a casino. Sea Plaza also hosts a 600 sq m children playground

(comprising a skating ring, trampolines and balloon games), a fitness centre and a wellness centre. It mainly attracts an upscale and midscale clientele, living in residential districts within the capital. The opening of three cinema rooms (700 seats) at the Sea Plaza was planned for March 2017, but they have not been inaugurated yet. So far, there is not a real innovative leisure supply in Dakar (escape games, waterpark, freefall simulator), which highlights the level of maturity of the market. It can also be underlined that at this stage, there is no critical mass of products dedicated to fun leisure able to constitute a critical mass to reach and to constitute an efficient “leisure destination”.

### Sport & Wellness Leisure in Dakar region

Dakar has an important number of sports facilities. Around 20 gyms have opened in the capital (excluding suburbs) over the last decades. They are all private and most of them are small independent structures. However, there are three important sport complexes providing a large range of activities. The Olympic Club is the biggest; which includes the only climbing wall of the city. It is important to note that a growing part of the population participates in sports, especially sports than can be exercised for free, such as running for instance or use of sport facilities located on the Corniche and provided by the Chinese Embassy. Elsewhere, the capital owns a 9-hole golf course overlooking the sea.



Concerning large-scale equipment, Dakar has three important stadiums. The largest is Leopold Sédar Senghor national stadium, with a capacity of 60,000. Since August 2018, the new city of Diamniadio also hosts an Arena called “Dakar Arena”, with a 15,000 seat capacity.

There are number of swimming pools across the City. Most of them are located in waterfront upscale and midscale hotels. They are accessible to external clientele by paying an entrance ticket (between 6 and 15€ according the category). Finally, a few wellness centres and spa can be found in Dakar. All upscale hotels have their own areas, but some standalone units -like the Ryad Al Sultan Oriental Spa- also exist.

Except stadiums, whose building has been driven by public authorities, most of the presented sport and wellness supply is dedicated to upper midscale to upscale clientele, due to their high entry tickets. As for fun leisure, there is still little supply for innovative sports.

### Nature leisure in Dakar region

Thanks to its geography, the Dakar Peninsula provides several opportunities for water activities: the city has three diving clubs, one sailing club and several surf camps. The capital contains few green spaces. Only two reserves represent a significant supply in Dakar. Hann zoological and

forest park is spread around 60 hectares. It also comprises a Pony Club. The park is mostly attended by students and sportsmen; the entrance ticket is less than 0,5€ and it needs renovation. There is also the Tortoises' Village, located in the heart of the botanical reserve of Noflaye, at 10 km from Dakar city centre. It is managed by a non-profit organization since 2011; with prices ranging from 1,5€ to 4,5€.

### Leisure market outside Dakar

Although most leisure activities are located in Dakar region, la Petite Côte can be considered as the second most important area in terms of leisure in Senegal. This is due to the fact that La Petite Côte is the most leisure tourist place not only in Senegal, but also in the Subregion. Many French or Belgium retirees or expats have decided to settle there for part of the year in secondary homes. La Petite Côte is also a popular destination for Dakar inhabitants for weekends, and is becoming even more accessible thanks to the development of a motorway. This results in a various range of fun and sport activities, mostly attended by tourists or upper midscale clientele from Dakar.

Apart from a few art galleries, la Petite Côte has a poor supply of cultural and entertainment leisure, but instead it provides more opportunities for fun, sport, nature and wellness leisure. Most of the supply is located in the city of





Saly: golf, sailing club, several pools and wellness centres in upscale hotels, padel fields, several night clubs and a casino. Outside the city, the countryside has outdoor activities: treetop adventure courses, go-karting, bird zoological park and the Bandia animal reserve. These are more activities dedicated to the upper class since the entrance fee is high. With natural parks, beaches and la Somone Lagoon, there are also opportunities for free leisure, accessible to everyone.

The cities of Thiès and Saint-Louis, located at the North of the country do not contain many leisure activities but instead have cultural sites such as heritage sites and museums. In addition to its architecture recognized by UNESCO, Saint-Louis is famous for its jazz festival taking place every year at the end of April. The last event had 92,000 attendees. Future oil exploitation could bring new opportunities for more diversified leisure in the North of Senegal.

Senegal accounts for other national parks and reserves but these cannot be considered as leisure places because they are not attended by local population but only by tourists

### Leisure equipment projects in Senegal

Several cinemas could open in the few next years in Dakar: Canal Olympia plans to open a new cinema in a more popular district. A new cinema complex is also expected at the Sea Plaza, along the Corniche. The developer of the Ousmane Sembene cinema complex in Dakar, plans to open other cinemas in regional cities such as Kaolack, Saint-Louis and Zinguichor.

In the long-term, the new urban area of Diamniadio will become a real residential area with a need for affordable leisure activities. The Pink Lake area is also expected to become the new upscale residential area. It may include several leisure facilities described below.

Concerning la Petite Côte, a new beach resort is in development at Pointe-Sarène. Its 100 hectares will provide opportunities to leisure operators. Near Pointe-Sarène, the second Club Med village in Senegal is expected to open in 2020. It will include a 18-hole golf course.



### Focus on the Pink Lake: the future great place to live in the Grand Dakar area

Grand Dakar's future tourist and residential area is located at 45 km from Dakar City Centre. It will be a hybrid real estate complex, combining residential and tourism products. The Pink Lake urban area will provide upscale tourism places that will extend Dakar's existing tourism products. At the same time, this area will become an upscale residential district, making this an important project at the national level. In terms of hotel supply, 1,000 rooms are planned to be built in the next 10 years. In addition 1,200 residential units are also expected to be built in the next 10 years.

The Pink Lake project is an important game changer in terms of major development and the "art of living". It will be the biggest concentration of leisure activities in the country. Urban planning plans to develop several merchant and no-merchant activities and to promote social mix.

Leisure facilities expected for the Pink Lake pole are the following:

- A golf resort: 18-hole golf course combined with villas
- A balneotherapy complex
- A water amusement park
- A sport complex
- An equestrian centre
- A swimming pool
- A small shopping mall and a permanent market
- A pedagogical farm
- A walk around the Lake
- An salt-oriented interpretation centre
- A natural swimming pool

The Pink Lake urban area intends to embody a new form of urbanism, able to preserve the features of the natural site and provide a new and extended set of services to both tourists and inhabitants



## Prospects

As one of the best performing economies in Sub-Saharan Africa, Senegal growth is expected to maintain at high levels of around 7% in 2018, sustained by agriculture (fishing, peanuts), industrial sectors (increase in phosphate and mining exports of 15%) and oil exploitation.

The development outlook for future hotel demand is mainly in the business and leisure segments. Positive trends influencing on Senegal leisure market can be summarized as follows:

- A regional position as the main economic hub, and political stability which creates a favourable business environment. This in turn continues to attract expatriates with a high purchasing power.
- The political will to develop structuring public products accessible to all, including sport facilities;
- The emergence of a wealthier middle-class, with an increasing purchasing power;
- The population will continue increasing, due to its young population structure;
- The improving access to and within the destination with the new airport in Diass/Diamniadio and the motorways;
- The authorities' support to the tourism sector through infrastructures programs under the Senegal Emerging Plan;

We are of the opinion that Senegal has the potential for diverse leisure development in the mid-term including:

- Regular and affordable activities for the emerging middle-class population, that will also include entertaining areas accessible to all, since the country lacks places where it is possible to meet.
- “Heavy” public leisure equipment such as stadiums, urban parks, or interpretation centres, driven by public authorities, that could be developed in the framework of public/private partnerships;
- Some affordable activities could be based on a logic of “chain” across the country, in order to create a uniform supply and to increase fame.
- Innovative, even outstanding, activities for wealthier Dakar’s populations, that could also attract upper classes in the sub regions.
- Activities capitalizing on the great reputation of the main festivals in Senegal: la Biennale de Dakar, St Louis jazz festival...
- Places of learning such as Fab Lab, that could be developed in synergy with coworking spaces that are emerging in the sub region.

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Graduated from Paris Institute of Political Studies with a Master Degree in Urban and Regional Policies and Strategies, Clémence started her career in tourism in the MICE sector, working for a fairs and exhibitions organiser as a marketing coordinator.

Having joined Horwath HTL in 2016, Clémence has mainly works on tourism and leisure market and feasibility studies. In 2018, she joined the regional office in Abidjan to realize hotel market and feasibility studies in Central and Western Africa as well. Her other business skills include project management assistance and, marketing positioning and development strategy assistance for tourism and leisure.

**Horwath HTL**

Horwath HTL is the world's largest hospitality consulting brand with 45 offices across the world providing expert local knowledge. Since 1915, we have been providing impartial, specialist advice to our clients and are recognized as the founders of the Uniform System of Accounts which subsequently has become the industry standard for hospitality accounting.

Horwath HTL is the global leader in hospitality consulting. We are the industry choice; a global brand providing quality solutions for hotel, tourism & leisure projects. We focus one hundred percent on hotels, tourism and leisure consulting, and globally have successfully completed over 16,000 projects.

Horwath HTL has been accumulating more than 120 references in West and Central African. Horwath HTL has recently provided project management assistance for the planning and development of the two urban poles Lac Rose and Diamniadio to the DGPU (Direction Générale à la Promotion des Pôles Urbains de Diamniadio et du Lac Rose, in partnership with Egis Conseil.

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