

TOURISM AND HOSPITALITY SKILLS BRIEF



Tourism and Hospitality Skills Brief

1. Overview

Over the past decades, the tourism and hospitality sector has emerged as an important driver of growth and employment for the Rwandan economy. In 2019, the sector directly employed slightly over 164,000 people (4% of the labour force) across different education and skill levels. It has also been the biggest employer for women and the youth.

The Government has made significant investments into leisure tourism and most recently the MICE sector. As of 2019, tourism contributed an estimated 3.6 % to GDP, and the sector is expected to grow over the next 10 years. However, due to impact of the COVID-19 pandemic on the sector, over the next 5 years, tourism revenues will be below projected levels, and job growth will be slower. As Rwanda recovers from the pandemic, tourism and hospitality will continue to be important and would require continued efforts around skill development.

2. Tourism and hospitality Sector value chain

In Rwandan context, the entire value chain for tourism and hospitality sector cuts across the accommodation, food and beverage, transportation, retail and cultural services. Typically, leisure and business travellers liaise with intermediaries- travel agents, portals and organizers to book services across these different sectors. Service providers such as hotels, restaurants, conference venues and retail services subsequently deliver tourist products.

Consumers Distribution intermediaries Service providers Direct booking International air and road transport Online booking online travel portals Leisure and business travellers Package booking Domestic transport Travel agents Hotels and conference venues Food and beverage Global and domestic tour Inbound domestic tours services operators Retail services Conference organizers

Figure 1: Simplified tourism and hospitality value chain

Source: **Authors' illustration**

3. Sector performance and investment trends

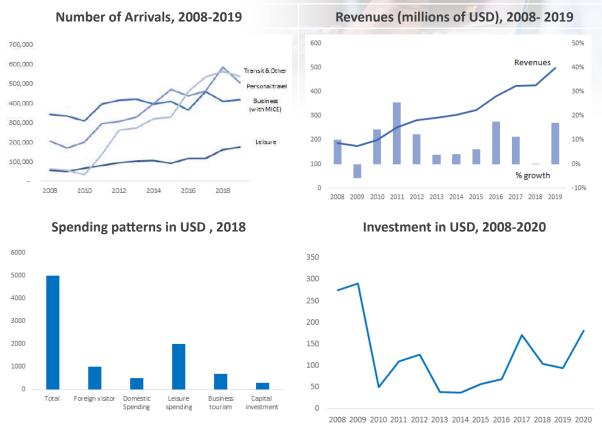
The tourism and hospitality sector is among key drivers for Rwanda's economic growth. In 2019, the sector contributed approximately 13% to GDP which is higher than world share (10.4%), higher than sub-Saharan Africa share (7.1%), and higher than that of East African countries such as Kenya (9.7%); Tanzania (9.0%); Uganda (7.3%) ¹.

Over the years, business, transit and personal travel have grown substantially, making up close to 90% of total tourism. Since 2015, revenue growth for the sector has averaged 11% driven both by the international and domestic tourism sector.

Tourism has also remained an attractive destination for foreign investment complemented by the government and Private Sector's investment in tourism infrastructure- namely the Kigali Convention Centre, the Kigali International Airport, state-of the art hotel infrastructure such as Bisate, Radisson Blue, Marriot Hotel and, a state of the art international conference venue.

¹ GDP contribution of Tourism for Rwanda estimated using Tourism Satellite Account (2018)

Figure 2. The performance of tourism and hospitality sector

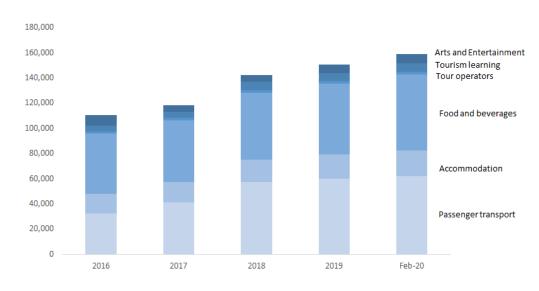


Source: RDB Tourism Department.

4. Employment Dynamics in tourism sector

The number of people employed in the tourism and hospitality sector has increased steadily over the past 5 years, and was dominated by the food and beverage, transport and accommodation sectors which account for close to 90% of the jobs created, and this trend that has persisted over the years.

Figure 3. Distribution of employment in different economic activities in tourism sector

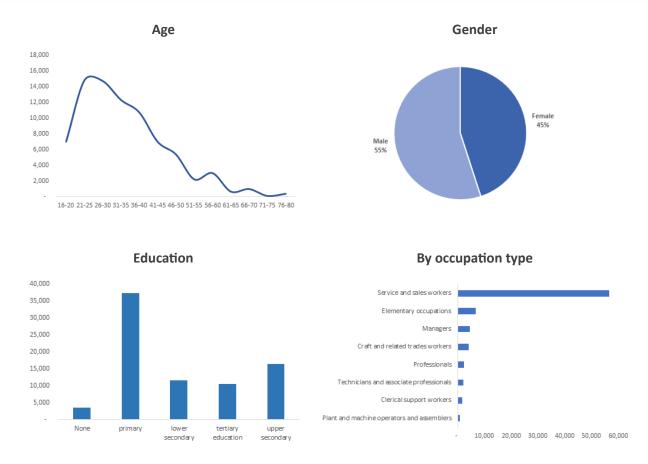


Source: Rwanda Labour Force Survey

Overall, as depicted by the figure 3 above, a significant share of the jobs in the tourism sector are service-related jobs with low level education requirements on one hand, but with communication and interpersonal skills requirements, on the other hand.

According to the findings of Labour Force Survey (2019), employees in the tourism sector are predominately youth with women accounting for 45 percent of total employment in the tourism sector. The latter is also an intensive employer of low skilled labour with a significant share of employed workers having only a primary school level of education. (See figure 4 below).

Figure 4: Distribution of employment in tourism sector by age, gender, education and occupation



Source: Rwanda Labour Force Survey

5. Skills demand, supply and gaps

The tourism and hospitality sector relies heavily on both skilled and unskilled labour. The skills demanded by employers vary by sub-sectors and potential employees must have a mix of technical and interpersonal skills to meet the needs of the clients. Strong communication and interpersonal skills are crucial and cut across all aspects of the tourism and hospitality value chain. Therefore, prospective employees in the tourism sector will be competitive if they can demonstrate skills and competencies required by the employers (see Table 1).

Other skills requirements include tourism marketing and distribution of tourism products skills covering a range of skills such as tours and travel marketing website management /digital marketing, effective communication/feedback management, product distribution, sales skills, tour guiding covering nature interpretation and protection.

It also covers communication skills and general knowledge on historical, geographical and cultural tourism, first aid training both basics and advanced, Skills to grade guides, specialized trainings including bird watching, wildlife, communities and agro-tourism, operating and guiding short excursions training modules².

^{2.} Skills requirements referred to in this brief were extracted from skills audit dated 2018. The skills audit in tourism and hospitality sector being conducted by the Private Sector Federation is expected to provide insightful information that will inform our next series of skills snapshot in tourism and hospitality

Table 1: Key skills requirements in Tourism sub-sectors

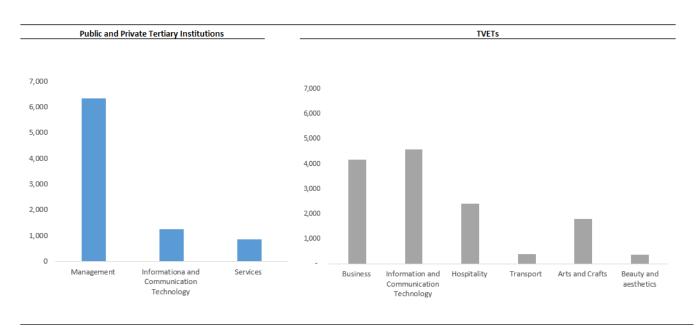
Accommodation, food & beverage	Travel and tour operations	Transport and storage	MICE sector	
Communication and interpersonal skills	Knowledge of local tourism sector	Special vehicle operation skills: pilot, special terrain driver	Conference management and marketing	
Culinary and food preparation	Management and marketing	Communication and interpersonal skills	Communication and interpersonal skills	
Hospitality management and marketing	Specialized driving skills and emergency response skills	Licensed driver with knowledge of local road networks and routes/navigations skills	ICT operations and maintenance	
Maintenance technician/ engineer				

Source: RDB Skills Audit in Mice Sub-sector (2018)

In addition to exhibiting competencies in the key skill areas, potential employees should also be aware of demands for formal certification, which vary by field. The Government of Rwanda has heavily invested in public and private education to provide professional training to students to prepare them for the labour market.

Skills development is central to realising the economic and job growth potential of the Tourism sector. Driven by Government investments in education, the supply of skills by training institutions in the tourism sector, which includes MICE, has steadily grown with close to 22,000 students graduating in tourism related fields of study across public and private TVET and tertiary institutions in 2018 (see figure 5 below).

Figure 5: Graduates in tourism related courses: public and private tertiary institutions and TVETs



Source: 2018 Rwanda Education statistics (MINEDUC)

Courses offered by training institutions in Rwanda are generally traditional and basic in hotel, cooking, general customer service, restaurant management and hospitality skills. Despite good progress in training skilled personnel for the Tourism Sector in general, the courses offered also do not effectively match the reality of the workplace, which is a result of weak linkages between training Institutions and Industry, insufficient modern equipment and teaching materials.

Lack of Competency in speaking and communicating in English language is one of the gaps that graduates of TVET, IPRCs and HLIs face as they join the labour market. To bridge the skill gap in the short term, RDB-Chief Skills Office initiated a partnership with PSF to support capacity development in the Tourism chamber. Tripartite partnership between RDB, MasterCard Foundation and Education First was concluded, with the aim to train 30,000 people in the tourism value chain in English proficiency and customer care skills, focusing on staff that interact with customers most frequently.

The target groups are: Airport personnel, tax drivers, hotel personnel, tour guides, art craft sellers, bar and restaurant attendants to mention but a few. The initial phase targets 2000 trainees. In 2020, 405 beneficiaries were trained in enhanced tourism marketing and distribution of tourism products (Brand Marketing for tour operators, customer for tour guide, customer care for travel agencies, customer care, culinary arts, housekeeping, food & beverage.) In the same vein, the Master Card Foundation, through GIZ Hanga Ahazaza project, also developed nine new courses to be taught in TVET schools in the spirit of bridging existing skills gaps.

Table 3: Available courses and training programs related to tourism

Available Tertiary Courses	Available TVET and other short courses		
Bachelors and Masters in Business Administration (Marketing, Finance, Accounting, Human Resources, Leisure and Tourism Management)	Culinary Arts		
Bachelors and Masters (Food Sciences and Technology)	Food and Beverage Services		
Bachelors and Masters (Information Technology, Advertising and Mass Communication)	Front Office Operations		
	Housekeeping Operations		

Source: RDB Skills Audit (Mice Sub-sector)

6. Highlight of on-going skills development initiatives

Box 1: Mastercard Hanga Ahazaza Initiative for Tourism Sector

As part of its "Young Africa Works" Strategy, the Mastercard Foundation is implementing the "Hanga Ahazaza Initiative" in Rwanda. This is a \$ 50 million project, which aims to support 30,000 youth to transition into employment opportunities. Launched in 2018, the 5-year initiative is focused on the tourism and hospitality sector, identified as a high-potential growth area and national development priority for Rwanda, as it moves to middle-income nation status. Hanga Ahazaza, meaning "create the future" in Kinyarwanda, is a consortium of 13 partners from the education, development and private sectors.

Key partners worth mentioning are: Education First (EF), GIZ, Dalberg, Cornell University and I&M Bank. The partners operate across the spectrum of skills development and employment promotion, with initiatives including English Training for 2,000 hospitality and tourism staff (EF), Support to TVET Schools in Curriculum review and implementation of Career Guidance (GIZ), Online Learning (Cornell, Vatel) and Access to finance (I&M, GroFin).

Since its launch, the program has supported the development and implementation of 9 new courses taught through the TVET school system.

Box 2: CSO initiatives for skills development in Tourism Sector

The RDB-Chief Skills Office has initiated a partnership with the Private Sector Federation (PSF) to support capacity development in the tourism sector. Areas of focus include:

- Tourism marketing and distribution of tourism products: Tours and travel marketing, website management and digital marketing, effective communication and feedback management, product distribution and sales skills
- Tour guiding: Nature conservation, communication skills and general knowledge on historical, geographical and cultural tourism, first aid training and specialized training in bird watching, wildlife and agro-tourism
- Tourism packaging and booking Corporate governance and business growth

7. Projected skills demand

In order to ensure sustainable growth, the tourism sector needs to develop competent workforce with market relevant skills. The increasing need for technology adoption and emerging skills such as revenue management, big data analytics, and digital marketing will therefore play a pivotal role to the creation of higher value-added jobs and new jobs with attractive career pathways. Future skills requirements can be grouped into:

- Revenue management including the analysis of the trends and forecast of financial data, revenue optimization and enhancing strategies, management of the distribution channel challenges and strategies and strategic revenue management.
- Big data analysis and digital marketing mainly analyzing tourism and hospitality data, conducting market research and market profiling, developing digital strategy and digital market campaigns and monitoring social media platforms.
- Information technology and business process redesigning that entails the adoption of new business models for productivity, capitalizing on opportunities created through digital disruption in the tourism and hospitality Industry.
- Strategic human resource management focusing mainly on talent management, development of leaders through capacity development and coaching, and change management.

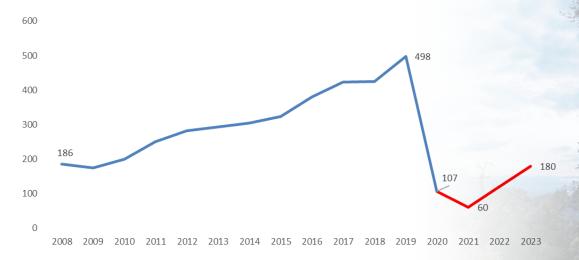
8. Impact of COVID-19 on revenues in the tourism sector

Tourism sector in Rwanda, like the rest of the word, is one the sectors that have been heavily affected by the COVID-19 pandemic. In January and February 2020, tourism sector has seen the same high growth as 2019. A significant impact started to be recorded in March 2020. The end of March 2020 was therefore marked by a downturn of 13% in tourism revenues.

The whole of Q2 2020 (April-June), borders as well as tourism related businesses were closed, and only business travellers were allowed to travel. As a result, compared to nearly 100 million USD that used to be generated, only 4.7 million USD were generated in Q2 2020. However, as the economy will steadily recover from the impact of COVID-19 pandemic, the tourism revenues are expected to gradually increase from 4.7 million US in 2020 to 60 million USD in 2021 and 180 million USD in 2023.

Among other core recovery strategies that were put in place include Economic Recovery Fund (ERF) that targets mainly among other sectors tourism and hospitality sector that were heavily hit by COVID-19 pandemic.

Figure 7: Tourism revenues projections in Million USD



9. The impact of COVID-19 on employment in accommodation and food services activities

Tourism sector is naturally vulnerable to the external shocks including pandemics such COVID-19. As indicated by the table 4 below, before the outbreak of COVID-19, the trend for employment in the sector was upward.

However, the first two quarters of the 2020 financial year were marked by a sharp decline in employment, and the situation even worsened in April and May 2020 where the employment declined by 77% and 57% respectively. It is worthwhile to mention that the situation is expected to improve in the last two quarters given that most of businesses in the sector have reopened and the Economic recovery Fund was put in place, and businesses in tourism and hospitality sector are eligible given that that they were heavily hit by COVID-19 pandemic.

Table 4: Impact of COVID-19 on employment in accommodation and food services activities

Branch of economic activity	Total Number of Employed Persons per Month				% Job losses since February 2020		
	Feb-20	Mar-20	Apr-20	May-20	Mar	Apr	May
Total	3,568,934	3,410,886	2,117,416	3,199,104	4%	41%	10%
Accommodation and food services activities	116,922	110,723	26,887	49,842	5%	77%	57%

8. Recommendations

- Conduct regular skills audit in identify the existing set of skills requirements and understand employment dynamics within tourism and hospitality sector to inform decision making in both public and the private sector
- Produce thematic skills snapshots along tourism and hospitality value chain to unpack skills and employment issues pertaining to different subsectors of the tourism and hospitality sectors
- Undertake employer skills survey on a regular basis in order to constantly demonstrate the skills that are in most demand and where shortages are evident; and understanding the rationale employers provide for investing or not investing in the skills of their workforce
- Upgrade TVET MIS to capture tourism and hospitality data in vocational, secondary, and university levels to help have a stock of available skills in TVET at different levels

- Map different stakeholders in tourism and hospitality sectors and establish partnership with them to ease access on data, document success stories and disseminate and implement the findings of the skills snapshots
- Introduce smart classrooms in TVET schools at different levels and launch new technologies of virtual simulators, which is an active introduction of the modern means of computer simulation and information technologies in the sphere of education in tourism sector especially during practical sessions in class, internship and apprenticeship
- Put in place an accreditation framework or professional body in tourism and hospitality sector to ensure employees in the sector fulfill minim entry requirements.

