



The Mövenpick Ambassador Hotel, Ghana

Restoring a Landmark to Former Glory

The former Ambassador Hotel was a cultural icon in Ghana that had fallen into decay. The government wanted to refurbish the property and bring it back into productive use. The hotel was originally a gift from the United Kingdom to Ghana in recognition of its independence in 1956. It had been closed for 20 years, and efforts to privatize it had failed.

KHI Ghana Limited is a subsidiary of Kingdom Hotels Investments (KHI), a leading global hotel and resort development company with operations in 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 restoring the Ambassador Hotel into a five-star luxury hotel 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.

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.
- Although the hotel doesn't have a targeted Corporate Social Responsibility (CSR) strategy, it has provided monetary and in-kind donations for social and other charitable causes.
- Strong standards has resulted in minimal social and environmental consequences.



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.